PROSPECTUS
BLACKROCK STRATEGIC FUNDS

27 FEBRUARY 2015

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Introduction to BlackRock Strategic Funds

Structure

BlackRock Strategic Funds (the "**Company**") is a public limited company (société anonyme) established under the laws of the Grand Duchy of Luxembourg as an open ended variable capital investment company (*société d'investissement à capital variable*). The Company was established on 2 May 2007 and its registration number in the Registry of the Luxembourg Trade and Companies Register is B 127481. The Company has been authorised by the Commission de Surveillance du Secteur Financier (the "**CSSF**") as an undertaking for collective investment in transferable securities pursuant to the provisions of Part I of the law of 17 December 2010, as amended from time to time and is regulated pursuant to such law. Authorisation by the CSSF is not an endorsement or guarantee of the Company by the CSSF nor is the CSSF responsible for the contents of this Prospectus. The authorisation of the Company shall not constitute a warranty as to performance of the Company and the CSSF shall not be liable for the performance or default of the Company.

The articles of association governing the Company (the "**Articles**") have been deposited with the Luxembourg Trade and Companies Register. The Articles were amended and restated on 24 January 2014 and published in the Mémorial C, Recueil des Sociétés et Associations on 2 April 2014.

The Company is an umbrella structure comprising separate compartments with segregated liability. Each compartment shall have segregated liability from the other compartments and the Company shall not be liable as a whole to third parties for the liabilities of each compartment. Each compartment shall be made up of a separate portfolio of investments maintained and invested in accordance with the investment objectives applicable to such compartment, as specified herein. The Directors are offering separate classes of Shares, each representing interests in a compartment, on the basis of the information contained in this Prospectus and in the documents referred to herein which are deemed to be an integral part of this Prospectus.

Management

The Company is managed by BlackRock (Luxembourg) S.A., a public limited company (*société anonyme*) established in 1988 under registration number B 27689. The Management Company has been authorised by the CSSF to manage the business and affairs of the Company pursuant to chapter 15 of the 2010 Law.

Choice of Funds

As of the date of this Prospectus, investors are able to choose from the following Funds of BlackRock Strategic Funds:

Fund		Base Currency	Type of Fund
1.	BlackRock European Constrained Credit Strategies Fund	EUR	B
2.	BlackRock European Credit Strategies Fund	EUR	B
3.	BlackRock Emerging Markets Flexi Dynamic Bond Fund	USD	B
4.	BlackRock Fixed Income Strategies Fund	EUR	B
5.	BlackRock Global Absolute Return Bond Fund	EUR	B
6.	BlackRock Americas Diversified Equity Absolute Return Fund	USD	E
7.	BlackRock Asia Extension Fund	USD	E
8.	BlackRock European Absolute Return Fund	EUR	E
9.	BlackRock European Diversified Equity Absolute Return Fund	EUR	E
10.	BlackRock European Opportunities Extension Fund	EUR	E
11.	BlackRock Emerging Markets Absolute Return Fund	USD	E
12.	BlackRock Global Event Driven Fund*	USD	E
13.	BlackRock Global Long/Short Equity Fund	USD	E
14.	BlackRock Latin American Opportunities Fund	USD	E
15.	BlackRock Systematic European Equity Fund*	EUR	E
16.	BlackRock Euro Dynamic Diversified Growth Fund	EUR	M
17.	BlackRock Emerging Markets Allocation Fund	USD	M
18.	BlackRock Multi-Strategy Absolute Return Fund	EUR	M
19.	BlackRock Managed Index Portfolios – Defensive*	EUR	F
20.	BlackRock Managed Index Portfolios – Moderate*	EUR	F
21.	BlackRock Managed Index Portfolios – Growth*	EUR	F

"*" Funds not available for subscription at the date of this Prospectus. Such Funds may be launched at the Directors' discretion. Confirmation of the launch date of these Funds will then be made available from the local Investor Servicing team. Any provisions in this Prospectus relating to any one of these Funds shall only take effect from the launch date of the relevant Fund.

B - Bond Fund
E - Equity Fund
M - Mixed Fund
F - Fund of Funds

A list of Dealing Currencies, Hedged Share Classes, Distributing and Non-Distributing Share Classes and UK Reporting Fund status Classes is available from the Company's registered office and the local Investor Servicing team.

IMPORTANT NOTICE

If you are in any doubt about the contents of this Prospectus or whether an investment in the Company is suitable for you, you should consult your stockbroker, solicitor, accountant, relationship manager or other professional adviser.

The Directors of the Company, whose names appear in the section "Board of Directors", and the directors of the Management Company are the persons responsible for the information contained in this document. To the best of knowledge and belief of the Directors and 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 accuracy of such information. The Directors and the directors of the Management Company accept responsibility accordingly.

This Prospectus has been prepared solely for, and is being furnished to investors for the purpose of evaluating an investment in Shares in the Funds. Investment in the Funds is only suitable for investors seeking long-term capital appreciation who understand the risks involved in investing in the Company, including the risk of loss of all capital invested.

In considering an investment in the Company, investors should also take account of the following:

- certain information contained in this Prospectus, the documents referred to herein and any brochures issued by the Company as substitute offering documents constitutes forward-looking statements, which can be identified by the use of forward-looking terminology such as "seek", "may", "should", "expect", "anticipate", "estimate", "intend", "continue", "target" or "believe" or the negatives thereof or other variations thereof or comparable terminology and includes projected or targeted returns on investments to be made by the Company. Such forward-looking statements are inherently subject to significant economic, market and other risks and uncertainties and accordingly actual events or results or the actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements; and
- nothing in this Prospectus should be taken as legal, tax, regulatory, financial, accounting or investment advice.

An application/decision to subscribe for Shares should be made on the basis of the information contained in this Prospectus which is issued by the Company and in the most recent annual and (if later) interim report and accounts of the Company which are available at the registered office of the Company. Information updating this Prospectus may, if appropriate, appear in the report and accounts.

This Prospectus, and the KIID for the relevant Share Class, should each be read in their entirety before making an application for Shares. KIIDs for each available Share Class can be found at: http://kiid.blackrock.com.

Statements made in this Prospectus are based on laws and practices in force at the date hereof and are subject to changes therein. Neither the delivery of this Prospectus nor the issue of Shares will, in any circumstances, imply that there has been no change in the circumstances affecting any of the matters contained in this Prospectus since the date hereof.

This Prospectus may be translated into other languages provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail, except to the extent (and only to the extent) that the laws of a jurisdiction require that the legal relationship between the Company and investors in such jurisdiction shall be governed by the local language version of this Prospectus.

Any shareholder in the Company will only be able to fully exercise its shareholder rights directly against the Company, and in particular the right to participate in general meetings of shareholders, where such shareholder is registered in its own name in the register of shareholders for the Company. In cases where a shareholder invests into the Company through an intermediary investing in its own name but on behalf of the shareholder, it may not always be possible for such shareholder to exercise certain of its shareholder rights in the Company. Investors are therefore advised to take legal advice in respect of the exercise of their shareholder rights in the Company.

Distribution

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. Details of certain countries in which the Company is currently authorised to offer Shares are contained in Appendix C. Prospective subscribers for Shares should inform themselves as to the legal requirements of applying for Shares and of applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. US Persons are not permitted to subscribe for Shares. The Funds are not registered for distribution in India. In some countries investors may be able to subscribe for Shares through regular savings plans. Under Luxembourg law, the fees and commissions relating to regular savings plans during the first year must not exceed one third of the amount contributed by the investor. These fees and commissions do not include premiums to be paid by the investor where the regular savings plan is offered as part of a life insurance or whole life insurance product. Please contact the local Investor Servicing team for more details.

DIRECTORY

Management and Administration

Management Company

Up to 22 March 2015:
BlackRock (Luxembourg) S.A.
6D, route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

As of 23 March 2015:
BlackRock (Luxembourg) S.A.
35A, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Investment Advisers

BlackRock Financial Management, Inc.
Park Avenue Plaza
55 East 52nd Street
New York
NY 10055
USA

BlackRock Institutional Trust Company N.A.
400 Howard Street
San Francisco CA 94105
United States

BlackRock Investment Management, LLC
100 Bellevue Parkway
Wilmington
Delaware 19809
USA

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL
UK

BlackRock (Singapore) Limited
#18-01 Twenty Anson
20 Anson Road
Singapore 079912

Principal Distributor

BlackRock (Channel Islands) Limited
One Waverley Place
Union Street
St Helier
Jersey
JE1 0BR
Channel Islands

Custodian and Fund Accountant

State Street Bank Luxembourg S.A.
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Transfer Agent and Registrar

J.P. Morgan Bank Luxembourg S.A.
6C, route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

Auditor

Deloitte Audit S.à.r.l
560 rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

Legal Advisers

Linklaters LLP
35, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Paying Agents

A list of Paying Agents is to be found in paragraph 15 of Appendix B.

Registered Office

49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Enquiries

In the absence of other arrangements, enquiries regarding the Company should be addressed as follows:
Written enquiries:
BlackRock Investment Management (UK) Limited
c/o BlackRock (Luxembourg) S.A.
P.O. Box 1058
L-1010 Luxembourg
Grand Duchy of Luxembourg
All other enquiries:
Telephone: + 44 207 743 3300
Fax: + 44 207 743 1143
Email: investor.services@blackrock.com

Board of Directors

Chairman

Nicholas C. D. Hall

Directors

Frank P. Le Feuvre
Alexander C. Hoctor-Duncan
Francine Keiser
Geoffrey D. Radcliffe
Bruno Rovelli

Frank P. Le Feuvre, Alexander Hoctor-Duncan, Geoffrey D. Radcliffe and Bruno Rovelli are employees of the BlackRock Group (of which the Management Company and Investment Advisers are part), and Nicholas C. D. Hall is a former employee of the BlackRock Group. Francine Keiser is an independent Director.

All Directors of BlackRock Strategic Funds are non-executive Directors.

Glossary

2010 Law
means the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time.

Asset-Backed Security or ABS
means a debt security issued by corporations or other entities (including public or local authorities) backed or collateralised by the income stream from an underlying pool of assets. The underlying assets typically include loans, leases or receivables (such as credit card debt, automobile loans and student loans). An asset-backed security is usually issued in a number of different classes with varying characteristics depending on the riskiness of the underlying assets assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate. The higher the risk contained in the class, the more the asset-backed security pays by way of income.

Base Currency
means in relation to Shares of any Fund, the currency indicated in Appendix F.

BlackRock Group
means the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc.

Business Day
means any day normally treated by the banks in Luxembourg as a business day (except for Christmas Eve) and such other days as the Directors may decide.

CDSC
means a contingent deferred sales charge as set out in the section "Contingent Deferred Sales Charge".

Cut-Off Point
means for each Fund, 12 noon Luxembourg time on the relevant Dealing Day or 12 noon Luxembourg time two Business Days prior to the relevant Dealing Day, as applicable. Please see details of the relevant Cut-Off point for each Fund in Appendix F.

Dealing Currency
means the currency or currencies in which applicants may currently subscribe for the Shares of any Fund as indicated in Appendix F. Other additional Dealing Currencies may be introduced at the Directors' discretion. Confirmation of the further additional Dealing Currencies and the date of their availability can then be obtained from the registered office of the Company and from the local Investor Servicing team.

Dealing Day
means any Business Day, other than any day declared as a non-dealing day by the Directors as further described in the section "Non-Dealing Days" and any day falling within a period of suspension of subscriptions, redemptions and conversions, and/or such other day determined by the Directors to be a day when a Fund is open for dealing, as further described for each Fund in Appendix F.

Directors
means the members of the board of directors of the Company for the time being and any successors to such members as may be appointed from time to time.

Distributing Funds and Distributing Shares
means Funds or Shares on which dividends may be declared at the Directors' discretion. Distributing Shares may also be treated as UK Reporting Fund status Shares. Confirmation of the Funds, Share Classes and currencies on which dividends may be declared and Share Classes which are UK Reporting Fund status Shares (please see below for more details) is available from the registered office of the Company and from the local Investor Servicing team.

Exchange Traded Fund
means an investment fund (including UCITS) whose shares or units are listed and traded on one or more stock exchanges.

Euro
means the single European currency unit (referred to in Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro) and, at the discretion of the Investment Advisers, the currencies of any countries that have previously formed part of the Eurozone. As at the date of this Prospectus the countries that make up the Eurozone are: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

Europe or European
means all European countries including the UK, Eastern Europe and former Soviet Union countries.

Financial Year
means the period beginning on each 1 June and ending on each 31 May.

Fund
means a segregated compartment established and maintained by the Company in respect of one or more Share Classes to which assets, liabilities, income and expenditure attributable to each such Share Classes will be applied or charged, as further described in this Prospectus.

Hedged Share Classes
means the Share Classes to which a currency hedging strategy is applied. Additional Hedged Share Classes may be made available in other Funds and in other currencies at the Directors' discretion. Confirmation of the Funds and currencies in which the Hedged Share Classes are available can be obtained from the registered office of the Company and from the local Investor Servicing team.

Index Fund
means a collective investment scheme (generally a UCITS or other UCIs) that seeks to replicate the constituents of a benchmark index or track a benchmark index in order to achieve its investment objective.

Institutional Investor
means an institutional investor within the meaning of the 2010 Law which satisfies the eligibility and suitability requirements of institutional investors.

Investment Adviser(s)
means the investment adviser(s) appointed by the Management Company from time to time in respect of the

management of the assets of the Funds, as further described under "Investment Management of the Funds" and shall refer to such Investment Adviser(s) as is (are) applicable in the relevant context.

Investment Grade
means debt securities which are rated, at the time of purchase, BBB- (Standard and Poor's or equivalent rating) or better by at least one recognised rating agency, or, in the opinion of the Management Company, are of comparable quality.

Investor Servicing
means the dealing provisions and other investor servicing functions by local BlackRock Group companies or branches or their administrators.

KIID
means the key investor information document issued in respect of each Share Class pursuant to the 2010 Law.

LIBID/LIBOR
means the London Interbank Bid Rate/London Interbank Offered Rate (or any successor rates).

Management Company
means BlackRock (Luxembourg) S.A., a Luxembourg société anonyme authorised as a management company under the 2010 Law.

Mortgage-Backed Security or MBS
means a debt security backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. This type of security is commonly used to redirect the interest and principal payments from the pool of mortgages to investors. A mortgage-backed security is normally issued in a number of different classes with varying characteristics depending on the riskiness of the underlying mortgages assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate of securities. The higher the risk contained in the class, the more the mortgage-backed security pays by way of income.

Merrill Lynch
means Merrill Lynch International & Co., Inc. or one of its associated companies.

Net Asset Value
means in relation to a Fund or a Share Class, the amount determined in accordance with the provisions described in paragraphs 11 to 16 of Appendix A. The Net Asset Value of a Fund may be adjusted in accordance with paragraph 16(c) of Appendix A.

Non-Investment Grade or High Yield
means 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, are of comparable quality.

PNC Group
means the PNC group of companies, of which the PNC Financial Services Group, Inc. is the ultimate holding company.

Principal Distributor
means BlackRock (Channel Islands) Limited acting in its capacity as Principal Distributor. References to distributors may include BlackRock (Channel Islands) in its capacity as Principal Distributor.

Prospectus
means this offering memorandum, as amended, modified or supplemented from time to time.

Share
means a share in a Fund of any Share Class representing a participation in the capital of the Company and carrying rights attributable to the relevant Share Class, as further described in this Prospectus.

Share Class
means any class of Share attributable to a particular Fund and carrying rights to participate in the assets and liabilities of such Fund, as further described in Section "Share Classes and Form of Shares".

SICAV
means a public limited investment company with variable capital (*société d'investissement à capital variable*).

To Be Announced Securities Contract or TBA
means the common trading practice in the United States mortgage-backed securities market whereby a security is to be bought from a mortgage pool (including but not limited to Ginnie Mae, Fannie Mae or Freddie Mac) for a fixed price at a future date.

UCITS
means an undertaking for collective investment in transferable securities.

UK Reporting Funds
means the Statutory Instrument 2009 / 3001 that the UK Government enacted in November 2009 (The Offshore Funds (Tax) Regulations 2009) which provides for a framework for the taxation of investments in offshore funds which operates by reference to whether a fund opts into a reporting regime ("UK Reporting Funds") or not ("Non-UK Reporting Funds"). Under the UK Reporting Funds regime, investors in UK Reporting Funds are subject to tax on the share of the Reporting Fund's income attributable to their holding in the Fund, whether or not distributed, but any gains on disposal of their holding are subject to capital gains tax. The UK Reporting Funds regime applies to the Company with effect from 1 June 2010.

A list of the Funds which currently have UK Reporting Fund status is available on www.blackrock.co.uk/reportingfundstatus.

Valuation Day
means any Dealing Day, or any other day as the Directors may determine, on which the Net Asset Value per Share and Net Asset Value of a Fund is determined. Please see Appendix F for the Dealing Day applicable for each Fund.

Investment Management of the Funds

Management

The Directors are responsible for the overall investment policy of the Company.

BlackRock (Luxembourg) S.A. has been appointed by the Company to act as its management company. The Management Company is authorised to act as a fund management company in accordance with Chapter 15 of the 2010 Law.

The Company has signed a management company agreement with the Management Company. Under this agreement, the Management Company is entrusted with the day-to-day management of the Company, with responsibility for performing directly or by way of delegation all operational functions relating to the Company's investment management, administration, and the marketing of the Funds.

In agreement with the Company, the Management Company has decided to delegate several of its functions as is further described in this Prospectus.

The directors of the Management Company are:

Chairman
Guido van Berkel

Directors
Graham Bamping
Joanne Fitzgerald
Adrian Lawrence
Geoffrey Radcliffe
Leon Schwab

BlackRock (Luxembourg) S.A. is a wholly owned subsidiary within the BlackRock Group. It is regulated by the CSSF.

Graham Bamping, Joanne Fitzgerald, Adrian Lawrence, Geoffrey Radcliffe and Leon Schwab are employees of the BlackRock Group (of which the Management Company and Investment Advisers are part). Guido van Berkel is an independent non-executive Chairman.

Investment Advisers

The Management Company has delegated its investment management functions to the Investment Advisers. The Investment Advisers provide advice and management in the areas of stock and sector selection and strategic allocation. Notwithstanding the appointment of the Investment Advisers, the Management Company accepts full responsibility to the Company for all investment transactions.

BlackRock Investment Management (UK) Limited is a principal operating subsidiary of the BlackRock Group outside the US. It is regulated by the Financial Conduct Authority ("FCA") but the Company will not be a customer of BlackRock Investment Management (UK) Limited for the purposes of the FCA rules and will accordingly not directly benefit from the protection of those FCA rules.

BlackRock Investment Management (UK) Limited has sub-delegated some of its functions to BlackRock Asset Management North Asia Limited, BlackRock Investment Management (Australia) Limited and BlackRock Japan Co., Ltd. BlackRock Asset Management North Asia Limited is regulated by the Securities & Futures Commission of Hong Kong. BlackRock Investment Management (Australia) Limited is licensed by the Australian Securities and Investments Commission as an Australian Financial Services Licence holder. BlackRock Japan Co., Ltd is regulated by the Japanese Financial Services Agency.

BlackRock Institutional Trust Company N.A., is regulated by the Office of the Comptroller of the Currency (the "OCC") in the United States.

BlackRock (Singapore) Limited is regulated by the Monetary Authority of Singapore.

BlackRock Financial Management, Inc. and BlackRock Investment Management, LLC are regulated by the Securities and Exchange Commission in the United States.

The Investment Advisers and their sub-advisers are indirect operating subsidiaries of BlackRock, Inc., the ultimate holding company of the BlackRock Group. The largest shareholder of BlackRock, Inc., is the PNC Financial Services Group, Inc., which is a US public company. The Investment Advisers and their sub-advisers form part of the BlackRock Group.

Risk Considerations

All investments risk the loss of capital. An investment in the Shares involves considerations and risk factors which investors should consider before subscribing. In addition, there will be occasions when the BlackRock Group may encounter potential conflicts of interest in connection with the Company. See Section "Conflicts of Interest and Relationships within the BlackRock Group and with the PNC Group".

Investors should review this Prospectus carefully and in its entirety and are invited to consult with their professional advisers before making an application for Shares. An investment in the Shares should form only a part of a complete investment programme and an investor must be able to bear the loss of its entire investment. Investors should carefully consider whether an investment in the Shares is suitable for them in light of their circumstances and financial resources. In addition, investors should consult their own tax advisers regarding the potential tax consequences of the activities and investments of the Company and/or each Fund.

Below is a summary of risk factors that apply to the Funds which in particular, in addition to the matters set out elsewhere in this Prospectus, should be carefully evaluated before making an investment in the Shares. Not all risks apply to all Funds. Please see "General Risks" below.

The risks that, in the opinion of the Directors and the Management Company, could have significant impact to the overall risk of specific Funds are detailed in the section "Specific Risks" below.

Only those risks which are believed to be material and are currently known to the Directors have been disclosed. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem to be immaterial, may also have an adverse effect on the business of the Company and/or the Funds.

General Risks

The performance of each Fund will depend on the performance of the underlying investments. No guarantee or representation is made that any Fund or any investment will achieve its respective investment objectives. Past results are not necessarily indicative of future results. The value of the Shares may fall as well as rise and an investor may not recoup its investment. Income from the Shares may fluctuate in money terms. Changes in exchange rates may, among other factors, cause the value of Shares to increase or decrease. The levels and bases of, and reliefs from, taxation may change. There can be no assurance that the collective performance of a Fund's underlying investments will be profitable. On establishment, a Fund will normally have no operating history upon which investors may base an evaluation of performance.

Financial Markets, Counterparties and Service Providers

The Funds may be exposed to finance sector companies which act as a service provider or as a counterparty for financial contracts. In times of extreme market volatility, such companies may be adversely affected, with a consequent adverse effect on the activities of the Funds.

Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Company could be substantial and adverse.

Risk to Capital Growth

Certain Funds and/or certain Share Classes (e.g. Distributing (S) Shares) may make distributions from capital as well as from income and net realised and net unrealised capital gains. In addition certain Funds may pursue investment strategies in order to generate income. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital and the potential for long-term capital growth as well as increasing any capital losses. This may occur for example:

- if the securities markets in which the Fund invests were to decline to a sufficient extent that the Fund incurred net capital losses; and/or
- if dividends are paid gross of fees and expenses this will mean fees and expenses are paid out of net realised and net unrealised capital gains or initially subscribed capital. As a result payment of dividends on this basis may reduce capital growth or reduce the capital of the Fund and/or relevant Share Class. See also "Tax Considerations" below.

Tax Considerations

The Company may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. Where the Company invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Company may not be able to recover such tax and so any such change could have an adverse effect on the Net Asset Value of the Shares.

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

The availability and value of any tax reliefs available to shareholders depend on the individual circumstances of shareholders. The information in the "Taxation" section is not exhaustive and does not constitute legal or tax advice. Investors are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Company.

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

Shareholders should note that certain Share Classes may pay dividends gross of expenses. This may result in shareholders receiving a higher dividend that they would have otherwise received and therefore shareholders may suffer a higher income tax liability as a result. In addition, in some circumstances, paying dividends gross of expenses may mean that the Fund pays dividends from capital property as opposed to income property. Such dividends may still be considered income distributions in the hands of shareholders, depending on the local tax legislation in place, and therefore shareholders may be subject to tax on the dividend at their marginal income tax rate. Shareholders should seek their own professional tax advice in this regard.

Shareholders should also read the information set out in the section headed "FATCA and other cross-border reporting systems", particularly in relation to the consequences of the Company being unable to comply with the terms of such reporting systems.

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

Currency Risk – Share Class Currency
Certain Share Classes of certain Funds may be denominated in a currency other than the Base Currency of the relevant Fund. In addition, the Funds may invest in assets denominated in currencies other than the Base Currency or the Share Class currency. Therefore changes in exchange rates may affect the value of an investment in the Funds.

Currency Risk – Investor's Own Currency
An investor may choose to invest in a Share Class which is denominated in a currency that is different from the currency in which the majority of the investor's assets and liabilities are denominated (the "Investor's Currency"). In this scenario, the investor is subject to currency risk in the form of potential capital losses resulting from movements of the exchange rate between the Investor's Currency and the currency of the Share Class in which such investor invests, in addition to the other currency risks described herein and the other risks associated with an investment in the relevant Fund.

Currency Overlay Strategies
In addition to the use of techniques and instruments to control currency risk (see "Currency Risk" above), certain Funds may invest in currencies or utilise techniques and instruments in relation to currencies other than the Base Currency with the aim of generating positive returns. The Investment Advisers utilise specialist currency overlay strategies which involves the creation of long positions and synthetic pair trades in currencies to implement tactical views through the use of currency derivatives, including forward foreign exchange contracts, currency futures, options, swaps and other instruments providing exposure to changes in exchange rates. The movement in currency exchange rates can be volatile and where Funds engage substantially in such strategies, any such volatility will have a significant impact on the overall performance of these Funds.

Hedged Share Classes
While a Fund or its authorised agent may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of that Fund and the Hedged Share Class.

The hedging strategies may be entered into whether the Base Currency is declining or increasing in value relative to the relevant currency of the Hedged Share Class and so, where such hedging is undertaken it may substantially protect shareholders in the relevant Share Class against a decrease in the value of the Base Currency relative to the Hedged Share Class currency, but it may also preclude shareholders from benefiting from an increase in the value of the Base Currency.

Hedged Share Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could further affect the volatility of the Hedged Share Class.

All gains/losses or expenses arising from hedging transactions are borne separately by the shareholders of the respective Hedged Share Classes. Given that there is no segregation of liabilities between Share Classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to one Share Class could result in liabilities which might affect the Net Asset Value of the other Share Classes of the same Fund.

Global Financial Market Crisis and Governmental Intervention
Since 2007, global financial markets have undergone pervasive and fundamental disruption and suffered significant

instability leading to extensive governmental intervention. Regulators in many jurisdictions have implemented or proposed a number of emergency regulatory measures and may continue to do so. Government and regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Advisers' ability to implement the Funds' investment objectives.

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

Derivatives
In accordance with the investment limits and restrictions set out in Appendix D, each of the Funds may use derivatives to hedge market and currency risk and for the purposes of efficient portfolio management. Certain funds may use more complex derivative strategies for investment purposes as described in Appendix F.

The use of derivatives may expose Funds to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Funds trade, the risk of settlement default, lack of liquidity of the derivatives, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the relevant Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when purchasing derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and/or variation margin assets with the counterparty. For derivatives which require a Fund to place initial margin assets with a counterparty, such assets may not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase Fund volatility. Whilst the Funds will not borrow money to leverage they may for example take synthetic short positions through derivatives to adjust their exposure, always within the restrictions provided for in Appendix D of this Prospectus. Certain Funds may enter into long positions executed using derivatives (synthetic long positions) such as futures positions including currency forwards.

Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where a Fund's credit exposure to its counterparty under a derivative contract is not fully collateralised but each Fund will continue to observe the limits set out in Appendix D. The use of derivatives may also expose a Fund to legal risk, which is the risk of loss resulting from changing laws or from the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

The Funds may use derivatives to facilitate complex investment management techniques. In particular, this may involve (on a non-exhaustive basis):

- using swap contracts to adjust interest rate risk;
- using swap contracts to gain exposure to one or more indices for investment purposes;
- using currency derivatives to buy or sell currency risk;
- buying and selling options for investment purposes;
- using credit default swaps to buy or sell credit risk;
- using volatility derivatives to adjust volatility risk;
- using contracts for difference or futures contracts to gain market exposure;
- using synthetic short positions to take advantage of any negative investment views; and
- using synthetic long positions to gain market exposure.

Where derivative instruments are used in this manner the overall risk profile of the Fund may be increased. Accordingly the Company will employ a risk-management process which enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Fund. The Management Company uses one of two methodologies to calculate each Fund's global exposure, the "Commitment Approach" or the "Value at Risk" or "VaR" approach, in both cases ensuring each Fund complies with the investment restrictions set out in Appendix D.
The methodology used for each Fund will be determined by the Management Company based on the investment strategy of the relevant Fund. Details about the methodologies used for each Fund are included at Appendix F.

For more detail regarding the derivative strategies applied by individual Funds please refer to the individual Fund investment objectives in Appendix F and the latest risk management programme which is available on request from the local Investor Servicing team.

Securities Lending
The Funds may engage in securities lending. The Funds engaging in securities lending 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. The Company intends to ensure that all securities lending is fully collateralised but, to the extent that any securities lending is not fully collateralised (for example due to timing issues arising from payment lags), the Funds will have a credit risk exposure to the counterparties to the securities lending contracts.

Counterparty Risk

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

Counterparty Risk to the Custodian
The assets of the Company are entrusted to the Custodian for safekeeping. The assets of the Company should be identified in the Custodian's books as belonging to the Company. Securities held by the Custodian should be segregated from other securities/assets of the Custodian which mitigates but does not exclude the risk of non-restitution in case of bankruptcy of the Custodian. The investors are therefore exposed to the risk of the Custodian not being able to fully meet its obligation to restitute all of the assets of the Company in the case of bankruptcy of the Custodian. In addition, a Fund's cash held with the Custodian may not be segregated from the Custodian's own cash / cash under custody for other clients of the Custodian, and a Fund may therefore rank as an unsecured creditor in relation thereto in the case of bankruptcy of the Custodian.

The Custodian may not keep all the assets of the Company itself but may use a network of sub-custodians which are not always part of the same group of companies as the Custodian. Investors may be exposed to the risk of bankruptcy of the sub-custodians in circumstances where the Custodian will have no liability.

A Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Custodian will have no liability.

Fund Liability Risk
The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Luxembourg law, the assets of one Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation of liability.

Market leverage
The Funds will not use borrowing to purchase additional investments but may be expected, via derivative positions, to obtain market leverage (gross market exposure, aggregating both long and synthetic short positions, in excess of net asset value). The Investment Advisers will seek to make absolute returns from relative value decisions between markets ("this market will do better than that market"), as well as from directional views on the absolute return of markets ("this market is going to go up or down"). The extent of market leverage is likely to depend on the degree of correlation between positions. The higher the degree of correlation, the greater is the likelihood and probable extent of market leverage.

Performance Fee
The Management Company may be entitled to a Performance Fee based on the appreciation of the portfolio of the relevant Fund. Whilst the key objectives of the Performance Fee are to further strengthen the alignment of interest between the Management Company and the investors and to reward outperformance, the Performance Fee may create an incentive for the Management Company and its delegates to make riskier investments and trades than they would have done in the absence of a Performance Fee.

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

Transfer of Collateral
In order to use derivatives the Funds will enter into arrangements with counterparties which may require the payment of collateral or margin out of a Fund's assets to act as cover to any exposure by the counterparty to the Fund. If the title to any such collateral or margin transferred is transferred to the counterparty, it becomes an asset of such counterparty and may be used by the counterparty as part of its business. Collateral so transferred will not be held by the Custodian for safekeeping, but collateral positions will be overseen and reconciled by the Custodian. Where the collateral is pledged by the Fund to the benefit of the relevant counterparty, then such counterparty may not rehypothecate the assets pledged to it as collateral without the Fund's consent.

Other Risks
The Funds may be exposed to risks that are outside of their control – for example legal risks from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress; the risk of terrorist actions; the risk that economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced.

The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Company could be substantial and adverse.

Specific Risk Considerations

In addition to the general risks, as set out above, that should be considered for all Funds, there are other risks that investors should also bear in mind when considering investment into specific Funds. The tables below show which specific risk warnings apply to each of the Funds.

Specific Risk Considerations

No.	FUND	Equity	Fixed Income	Distressed Securities	Small Cap Companies	Derivatives Specific
1.	European Constrained Credit Strategies Fund	X	X	X	X	X
2.	European Credit Strategies Fund	X	X	X	X	X
3.	Emerging Markets Flexi Dynamic Bond Fund		X	X		X
4.	Fixed Income Strategies Fund		X	X		X
5.	Global Absolute Return Bond Fund		X	X	X	X
6.	Americas Diversified Equity Absolute Return Fund	X	X		X	X
7.	Asia Extension Fund	X	X		X	X
8.	European Absolute Return Fund	X	X		X	X
9.	European Diversified Equity Absolute Return Fund	X	X		X	X
10.	European Opportunities Extension Fund	X	X		X	X
11.	Emerging Markets Absolute Return Fund	X			X	X
12.	Global Event Driven Fund	X	X	X	X	X
13.	Global Long/Short Equity Fund	X				X
14.	Latin American Opportunities Fund	X			X	X
15.	Systematic European Equity Fund	X				
16.	Euro Dynamic Diversified Growth Fund	X	X			X
17.	Emerging Markets Allocation Fund	X	X			X
18.	Multi-Strategy Absolute Return Fund	X	X	X	X	X
19.	BlackRock Managed Index Portfolios – Defensive	X	X		X	
20.	BlackRock Managed Index Portfolios – Moderate	X	X		X	
21.	BlackRock Managed Index Portfolios – Growth	X	X		X	

No.	FUND	Specific Sectors	ABS MBS	Delayed Delivery Transactions
1.	European Constrained Credit Strategies Fund		X	X
2.	European Credit Strategies Fund		X	X
3.	Emerging Markets Flexi Dynamic Bond Fund			X
4.	Fixed Income Strategies Fund		X	X
5.	Global Absolute Return Bond Fund		X	X
6.	Americas Diversified Equity Absolute Return Fund			
7.	Asia Extension Fund			
8.	European Absolute Return Fund			X
9.	European Diversified Equity Absolute Return Fund			
10.	European Opportunities Extension Fund			
11.	Emerging Markets Absolute Return Fund			X
12.	Global Event Driven Fund	X		X
13.	Global Long/Short Equity Fund			X
14.	Latin American Opportunities Fund	X		X
15.	Systematic European Equity Fund			
16.	Euro Dynamic Diversified Growth Fund			
17.	Emerging Markets Allocation Fund			X
18.	Multi-Strategy Absolute Return Fund		X	X
19.	BlackRock Managed Index Portfolios – Defensive			
20.	BlackRock Managed Index Portfolios – Moderate			
21.	BlackRock Managed Index Portfolios – Growth			

Specific Risk Considerations

No.	FUND	Property Exposure Within ETFs	Commodity Exposure Within ETFs	Investments in ETFs and CIS
1.	European Constrained Credit Strategies Fund			X
2.	European Credit Strategies Fund			X
3.	Emerging Markets Flexi Dynamic Bond Fund		X	X
4.	Fixed Income Strategies Fund			X
5.	Global Absolute Return Bond Fund			X
6.	Americas Diversified Equity Absolute Return Fund	X		X
7.	Asia Extension Fund			X
8.	European Absolute Return Fund	X		X
9.	European Diversified Equity Absolute Return Fund	X		X
10.	European Opportunities Extension Fund	X		
11.	Emerging Markets Absolute Return Fund			
12.	Global Event Driven Fund	X		X
13.	Global Long/Short Equity Fund			X
14.	Latin American Opportunities Fund	X		X
15.	Systematic European Equity Fund			
16.	Euro Dynamic Diversified Growth Fund	X	X	X
17.	Emerging Markets Allocation Fund		X	X
18.	Multi-Strategy Absolute Return Fund	X	X	X
19.	BlackRock Managed Index Portfolios – Defensive	X	X	
20.	BlackRock Managed Index Portfolios – Moderate	X	X	
21.	BlackRock Managed Index Portfolios – Growth	X	X	

No.	FUND	Emerging Markets	Sovereign Debt	Restrictions on Foreign Investments
1.	European Constrained Credit Strategies Fund	X	X	X
2.	European Credit Strategies Fund	X	X	X
3.	Emerging Markets Flexi Dynamic Bond Fund	X	X	X
4.	Fixed Income Strategies Fund	X	X	X
5.	Global Absolute Return Bond Fund	X	X	X
6.	Americas Diversified Equity Absolute Return Fund	X		X
7.	Asia Extension Fund	X		X
8.	European Absolute Return Fund	X		
9.	European Diversified Equity Absolute Return Fund	X		X
10.	European Opportunities Extension Fund	X		
11.	Emerging Markets Absolute Return Fund	X		X
12.	Global Event Driven Fund		X	X
13.	Global Long/Short Equity Fund			
14.	Latin American Opportunities Fund	X		X
15.	Systematic European Equity Fund			
16.	Euro Dynamic Diversified Growth Fund	X	X	X
17.	Emerging Markets Allocation Fund	X		
18.	Multi-Strategy Absolute Return Fund	X	X	X
19.	BlackRock Managed Index Portfolios – Defensive	X	X	X
20.	BlackRock Managed Index Portfolios – Moderate	X	X	X
21.	BlackRock Managed Index Portfolios – Growth	X	X	X

Specific Risk Considerations

No.	FUND	Bond Downgrade	Multiple Strategies
1.	European Constrained Credit Strategies Fund	X	
2.	European Credit Strategies Fund	X	
3.	Emerging Markets Flexi Dynamic Bond Fund	X	
4.	Fixed Income Strategies Fund	X	
5.	Global Absolute Return Bond Fund	X	
6.	Americas Diversified Equity Absolute Return Fund		
7.	Asia Extension Fund		
8.	European Absolute Return Fund		
9.	European Diversified Equity Absolute Return Fund		
10.	European Opportunities Extension Fund		
11.	Emerging Markets Absolute Return Fund		
12.	Global Event Driven Fund	X	
13.	Global Long/Short Equity Fund		
14.	Latin American Opportunities Fund		
15.	Systematic European Equity Fund		
16.	Euro Dynamic Diversified Growth Fund	X	
17.	Emerging Markets Allocation Fund	X	
18.	Multi-Strategy Absolute Return Fund	X	X
19.	BlackRock Managed Index Portfolios – Defensive	X	
20.	BlackRock Managed Index Portfolios – Moderate	X	
21.	BlackRock Managed Index Portfolios – Growth	X	

Equity Risks
Prices of equities fluctuate daily and can be influenced by many micro and macro factors such as political and economic news, corporate earnings reports, demographic trends and catastrophic events. The value of equities will go up and down and the value of a Fund investing in equities could incur significant losses.

Fixed Income Transferable Securities
Debt securities are subject to both actual and perceived measures of creditworthiness. The "downgrading" of a rated debt security or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market. In certain market environments this may lead to investments in such securities becoming less liquid, making it difficult to dispose of them.

A Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect a Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities.

An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Fund may experience losses and incur costs.

Non-investment grade debt may be highly leveraged and carry a greater risk of default. In addition, non-investment grade securities tend to be more volatile than higher rated fixed income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed income securities.

Distressed Securities
Investment in a security issued by a company that is either in default or in high risk of default ("Distressed Securities") involves significant risk. Such investments will only be made when the Investment Advisers believe either that the security trades at a materially different level from the relevant Investment Adviser's perception of fair value or that it is reasonably likely that the issuer of the securities will make an exchange offer or will be the subject of a plan of reorganisation; however, there can be no assurance that such an exchange offer will be made or that such a plan of reorganisation will be adopted or that any securities or other assets received in connection with such an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made. In addition, a significant period of time may pass between the time at which the investment in Distressed Securities is made and the time that any such exchange offer or plan of reorganisation is completed. During this period, it is unlikely that any interest payments on the Distressed Securities will be received, there will be significant uncertainty as to whether fair value will be achieved or not and the exchange offer or plan of reorganisation will be completed, and there may be a requirement to bear certain expenses to protect the investing Fund's interest in the course of negotiations surrounding any potential exchange or plan of reorganisation. Furthermore, constraints on investment decisions and actions with respect to Distressed Securities due to tax considerations may affect the return realised on the Distressed Securities.

Some Funds may invest in securities of issuers that are encountering a variety of financial or earnings problems and represent distinct types of risks. A Fund's investments in equity or fixed income transferable securities of companies or institutions in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

Smaller Capitalisation Companies
The securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. Full development of those companies takes time. In addition, many small company stocks trade less frequently and in smaller volume, and may be subject to more abrupt or erratic price movements than stocks of large companies. The securities of small companies may also be more sensitive to market changes than the securities of large companies. These factors may result in above-average fluctuations in the Net Asset Value of a Fund's Shares.

Derivatives and Other Complex Instrument Techniques

Volatility Derivatives
"Historic Volatility" of a security (or basket of securities) is a statistical measure of the speed and magnitude of changes in the price of a security (or securities) over defined periods of time. "Implied Volatility" is the market's expectation of future realised volatility. Volatility derivatives are derivatives whose price depends on Historic Volatility or Implied Volatility or both. Volatility derivatives are based on an underlying basket of shares, and Funds may use volatility derivatives to increase or reduce volatility risk, in order to express an investment view on the change in volatility, based on an assessment of expected developments in underlying securities markets. For example, if a significant change in the market background is expected, it is likely that the volatility of securities prices will increase as prices adapt to the new circumstances.

The Funds may only buy or sell volatility derivatives which are based on an index where:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers; and
- it is published in an appropriate manner.

The price of volatility derivatives may be highly volatile, and may move in a different way to the other assets of the

Fund, which could have a significant effect on the Net Asset Value of a Fund's Shares.

Contracts for Difference ("CFDs")
A contract for difference is a contract between two parties, buyer and seller, stipulating that the seller will pay to the buyer the difference between the current value of an asset (a security, instrument, basket or index) and its value at contract time. If the difference is negative, then the buyer pays instead to the seller.

Contracts for differences allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiry date or contract size. Unlike shares, with CFDs the buyer is potentially liable for far more than the amount they paid on margin.

The Fund will therefore employ risk management techniques with the aim of ensuring it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from contracts for difference and other techniques and instruments.

Particular Risks of Over-the-Counter ("OTC") derivative transactions
In general there is less governmental regulation and supervision of transactions in the OTC markets than organised stock exchanges. Many of the protections afforded to transactions on organised exchanges such as the performance guarantee of an exchange clearing house may not exist for OTC transactions. The risk of counterparty default therefore exists. To mitigate this risk the Company will only use preferred counterparties which it believes to be creditworthy and may reduce the exposure incurred in connection with such transactions through the use of letter of credit or collateral. However there can be no guarantee that counterparty will not default or that a Fund will not sustain losses as a result.

The Investment Advisers will continuously assess the credit or counterparty risk as well as the potential risk, which is for trading activities, the risk resulting from adverse movements in the level of volatility of market prices and will assess the hedging effectiveness on an ongoing basis. They will define specific internal limits applicable to these kinds of operations and monitor the counterparties accepted for transactions.

In addition to the above the OTC market may be illiquid and it may not always be possible to execute a transaction quickly at an attractive price. From time to time the counterparties with which the Fund effects the transactions might cease making markets or quoting prices in certain of the instruments. In such instances a Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or enter into an offsetting transaction with respect to an open position which might adversely affect its performance. Further in contrast to exchange traded instruments, forward, spot and option contracts on currencies do not provide the Management Company and the Investment Advisers with the possibility to offset the Funds obligations through an equal and opposite transaction. For this reason entering into forward, spot or options contracts, the Fund may be required, and must be able to, perform its obligations under the contracts.

Options
An option gives the purchaser the right (but not the obligation) to buy or sell a particular asset at a stated price at some date in the future within a particular period. The Funds may enter into option transactions as either the buyer or seller of this right. Options may be used for either hedging or cross hedging purposes, or for investment purposes to seek to increase total return or income. The writing and purchase of options is a specialised activity which involves specialist investment risks. If the relevant Investment Adviser is incorrect in its expectation of changes in the market prices or determination of the correlation between the instruments or indices on which the options are written or purchased and the instruments in a Fund's investment portfolio, the Fund may incur losses that it would not otherwise incur.

Credit Default Swaps, Interest Rate swaps, Currency Swaps, Total Return Swaps and Swaptions
The use of credit default swaps may carry a higher risk than investing in bonds directly. A credit default swap allows the transfer of default risk. This allows investors to effectively buy insurance on a bond they hold (hedging the investment) or buy protection on a bond they do not physically own where the investment view is that the stream of coupon payments required will be less than the payments received due to the decline in credit quality. Conversely, where the investment view is that the payments due to decline in credit quality will be less than the coupon payments, protection will be sold by means of entering into a credit default swap. Accordingly, one party, the protection buyer, makes a stream of payments to the seller of protection, and a payment is due to the buyer in the event that there is a "credit event" (a decline in credit quality, which will be pre-defined in the agreement). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid.

The market for credit default swaps may sometimes be more illiquid than bond markets. A Fund entering into credit default swaps must at all times be able to meet the redemption requests. Credit default swaps are valued on a regular basis according to verifiable and transparent valuation methods reviewed by the Company's auditor.

Interest rate swaps involve an exchange with another party of respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. The Funds may enter into swaps as either the payer or receiver of payments.

Where a Fund enters into interest rate or total return swaps on a net basis, the two payment streams are netted out, with each party receiving or paying, as the case may be, only the net amount of the two payments. Interest rate or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that a Fund is contractually obliged to make (or in the case of total return swaps, 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 an interest rate or total return swap defaults, in normal circumstances each Fund's risk of loss consists of the net amount of interest or total return payments that each party is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

Certain Funds may also buy or sell interest rate swaption contracts. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of credit default swaps, interest rate swaps, currency swaps, total return swaps, and interest rate swaptions is a specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the relevant Investment Adviser is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Fund would be less favourable than it would have been if these investment techniques were not used.

Funds Investing in Specific Sectors
Where investment is made in one or in a limited number of market sectors, Funds may be more volatile than other more diversified Funds. The companies within these sectors may have limited product lines, markets, or financial resources, or may depend on a limited management group.

Such Funds may also be subject to rapid cyclical changes in investor activity and / or the supply of and demand for specific products and services. As a result, a stock market or economic downturn in the relevant specific sector or sectors would have a larger impact on a Fund that concentrates its investments in that sector or sectors than on a more diversified Fund.

There may also be special risk factors associated with individual sectors. For example, the stock prices of companies operating in natural resource related sectors, such as precious and other metals may be expected to follow the market price of the related natural resource, although there is unlikely to be perfect correlation between these two factors. Precious and other metal prices historically have been very volatile, which may adversely affect the financial condition of companies involved with precious and other metals. Also, the sale of precious and other metals by governments or central banks or other larger holders can be affected by various economic, financial, social and political factors, which may be unpredictable and may have a significant impact on the prices of precious and other metals. Other factors that may affect the prices of precious and other metals and securities related to them include changes in inflation, the outlook for inflation and changes in industrial and commercial supply and demand for such metals.

Asset-backed Securities ("ABS")
An asset-backed security is a generic term for a debt security issued by corporations or other entities (including public or local authorities) backed or collateralised by the income stream from an underlying pool of assets. The underlying assets typically include loans, leases or receivables (such as credit card debt, automobile loans and student loans). An asset-backed security is usually issued in a number of different classes with varying characteristics depending on the riskiness of the underlying assets assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate. The higher the risk contained in the class, the more the asset-backed security pays by way of income. Specific types of ABS in which the Fund may invest are set out below:

Generic risks related to ABS

With regard to Funds that invest in ABS, while the value of ABS typically increases when interest rates fall and decreases when interest rates rise, and are expected to move in the same direction of the underlying related asset, there may not be a perfect correlation between these events.

The ABS in which the Fund may invest may bear interest or pay preferred dividends at below market rates and, in some instances, may not bear interest or pay preferred dividends at all.

Certain ABS may be payable at maturity in cash at the stated principal amount or, at the option of the holder, directly in a stated amount of the asset to which it is related. In such instance, a Fund may sell the ABS in the secondary market prior to maturity if the value of the stated amount of the asset exceeds the stated principal amount and thereby realise the appreciation in the underlying asset.

ABS may also be subject to extension risk, which is, the risk that, in a period of rising interest rates, prepayments may occur at a slower rate than expected. As a result, the average duration of the Fund's portfolio may increase. The value of longer-term securities generally changes more in response to changes in interest rates than that of shorter-term securities.

As with other debt securities, ABS are subject to both actual and perceived measures of creditworthiness. Liquidity in ABS may be affected by the performance or perceived performance of the underlying assets. In some circumstances investments in ABS may become less liquid, making it difficult to dispose of them. Accordingly the Fund's ability to respond to market events may be impaired and the Fund may experience adverse price movements upon liquidation of such investments.
In addition, the market price for an ABS may be volatile and may not be readily ascertainable. As a result, the Fund may not be able to sell them when it desires to do so, or to realise what it perceives to be their fair value in the event of a sale. The sale of less liquid securities often requires more time and

can result in higher brokerage charges or dealer discounts and other selling expenses.

ABS may be leveraged which may contribute to volatility in the value of the security.

Considerations relating to specific types of ABS in which the Fund may invest

Asset-Backed Commercial Paper – ("ABCP").

An ABCP is a short-term investment vehicle with a maturity that is typically between 90 and 180 days. The security itself is typically issued by a bank or other financial institution. The notes are backed by physical assets such as trade receivables, and are generally used for short-term financing needs.

A company or group of companies looking to enhance liquidity may sell receivables to a bank or other conduit, which, in turn, will issue them to the Fund as commercial paper. The commercial paper is backed by the expected cash inflows from the receivables. As the receivables are collected, the originators are expected to pass on the funds.

Collateralised Debt Obligation ("CDO")

A CDO is generally an investment grade security backed by a pool of non-mortgage bonds, loans and other assets. CDOs do not usually specialise in one type of debt but are often loans or bonds. CDOs are packaged in different classes representing different types of debt and credit risk. Each class has a different maturity and risk associated with it.

Credit Linked Note – ("CLN")

A CLN is a security with an embedded credit default swap allowing the issuer to transfer a specific credit risk to the Fund.

CLNs are created through a special purpose company or trust, which is collateralised with securities rated in the top tier as determined by an accredited credit rating agency. The Fund buys securities from a trust that pays a fixed or floating coupon during the life of the note. At maturity, the Fund will receive the par value unless the referenced credit defaults or declares bankruptcy, in which case it receives an amount equal to the recovery rate. The trust enters into a default swap with a deal arranger. In case of default, the trust pays the dealer par minus the recovery rate in exchange for an annual fee which is passed on to the Fund in the form of a higher yield on the notes.

Under this structure, the coupon or price of the note is linked to the performance of a reference asset. It offers borrowers a hedge against credit risk, and offers the Fund a higher yield on the note for accepting exposure to a specified credit event.

Synthetic Collateralised Debt Obligation

A synthetic CDO is a form of collateralised debt obligation (CDO) that invests in credit default swaps (CDSs – see below) or other non-cash assets to gain exposure to a portfolio of fixed income assets. Synthetic CDOs are typically divided into credit classes based on the level of credit risk assumed. Initial investments into the CDO are made by the lower classes, while the senior classes may not have to make an initial investment.

All classes will receive periodic payments based on the cash flows from the credit default swaps. If a credit event occurs in the fixed income portfolio, the synthetic CDO and its investors, including the Fund, become responsible for the losses, starting from the lowest rated classes and working its way up.

While synthetic CDOs can offer higher yields to investors such as the Fund, there is potential for a loss equal to that of the initial investments if several credit events occur in the reference portfolio.

A CDS is a swap designed to transfer the credit exposure of fixed income products between parties. The buyer of a CDS receives credit protection (buys protection), whereas the seller of the swap guarantees the credit worthiness of the product. By doing this, the risk of default is transferred from the holder of the fixed income security to the seller of the CDS. CDS are treated as a form of OTC derivative.

Whole Business Securitisation ("WBS"):

Whole-business securitisation is defined as a form of asset-backed financing in which operating assets (which are long-term assets acquired for use in the business rather than for resale and includes property, plant and equipment and intangible assets) are financed through the issues of notes via a special purpose vehicle (a structure whose operations are limited to the acquisition and financing of specific assets, usually a subsidiary company with an asset/liability structure and legal status that makes its obligations secure even if the parent company goes bankrupt) in the bond market and in which the operating company keeps complete control over the assets securitised. In case of default, control is handed over to the security trustee for the benefit of the note holders for the remaining term of financing.

Mortgage-Backed Securities ("MBS")

A mortgage-backed security is a generic term for a debt security backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. This type of security is commonly used to redirect the interest and principal payments from the pool of mortgages to investors. A mortgage-backed security is normally issued in a number of different classes with varying characteristics depending on the riskiness of the underlying mortgages assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate of securities. The higher the risk contained in the class, the more the mortgage-backed security pays by way of income.

Specific types of MBS in which the Fund may invest are set out below.

Generic risks related to MBS

MBS may be subject to prepayment risk which is the risk that, in a period of falling interest rates, borrowers may refinance or otherwise repay principal on their mortgages earlier than scheduled. When this happens, certain types of MBS will be paid off more quickly than originally anticipated and the Fund will have to invest the proceeds in securities with lower yields. MBS may also be subject to extension risk, which is, the risk that, in a period of rising interest rates, certain types of MBS will be paid off more slowly than originally anticipated and the value of these securities will fall. As a result, the average duration of the Fund's portfolio may increase. The value of longer-term securities generally changes more in response to changes in interest rates than that of shorter-term securities.

Because of prepayment risk and extension risk, MBS react differently to changes in interest rates than other fixed income securities. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain MBS. Certain MBS in which the Fund may invest may also provide a degree of investment leverage, which could cause the Fund to lose all or a substantial amount of its investment.

In some circumstances investments in MBS may become less liquid, making it difficult to dispose of them. Accordingly, the Fund's ability to respond to market events may be impaired and the Fund may experience adverse price movements upon liquidation of such investments. In addition, the market price for MBS may be volatile and may not be readily ascertainable. As a result, the Fund may not be able to sell them when it desires to do so, or to realise what it perceives to be their fair value in the event of a sale. The sale of less liquid securities often requires more time and can result in higher brokerage charges or dealer discounts and other selling expenses.

Considerations relating to specific types of MBS in which a Fund may invest

Commercial Mortgage Backed Security ("CMBS")

A CMBS is a type of mortgage backed security that is secured by the loan on a commercial property; CMBS can provide liquidity to real estate investors and to commercial lenders. Typically a CMBS provides a lower degree of prepayment risk because commercial mortgages are most often set for a fixed term and not for a floating term as is generally the case with a residential mortgage. CMBS are not always in a standard form so can present increased valuation risk.

Collateralised Mortgage Obligation ("CMO")

A CMO is a security backed by the revenue from mortgage loans, pools of mortgages, or even existing CMOs, separated into different maturity classes. In structuring a CMO, an issuer distributes cash flow from the underlying collateral over a series of classes, which constitute a multiclass securities issue. The total revenue from a given pool of mortgages is shared between a collection of CMOs with differing cashflow and other characteristics. In most CMOs, coupon payments are not made on the final class until the other classes have been redeemed. Interest is added to increase the principal value.

CMOs aim to eliminate the risks associated with prepayment because each security is divided into maturity classes that are paid off in order. As a result, they yield less than other mortgage-backed securities. Any given class may receive interest, principal, or a combination of the two, and may include more complex stipulations. CMOs generally receive lower interest rates that compensate for the reduction in prepayment risk and increased predictability of payments. In addition, CMOs can exhibit relatively low liquidity, which can increase the cost of buying and selling them.

Real Estate Mortgage Investment Conduits ("REMIC")

A REMIC is an investment-grade mortgage bond that separates mortgage pools into different maturity and risk classes to the bank or conduit, which then passes the proceeds on to the note holders including the Fund. The REMIC is structured as a synthetic investment vehicle consisting of a fixed pool of mortgages broken apart and marketed to investors as individual securities and created for the purpose of acquiring collateral. This base is then divided into varying classes of securities backed by mortgages with different maturities and coupons.

Residential mortgage-backed security ("RMBS")

An RMBS is a type of security whose cash flows come from residential debt such as mortgages, home-equity loans and subprime mortgages. This is a type of MBS which focuses on residential instead of commercial debt.

Holders of an RMBS receive interest and principal payments that come from the holders of the residential debt. The RMBS comprises a large amount of pooled residential mortgages.

Delayed Delivery Transactions – To Be Announced Securities Contracts

Funds that invest in fixed income transferable securities may purchase "To Be Announced" securities contracts ("TBAs"). This refers to the common trading practice in the mortgage-backed securities market whereby a contract is purchased which entitles the buyer to a security from a mortgage pool (including but not limited to Ginnie Mae, Fannie Mae or Freddie Mac) for a fixed price at a future date. At the time of purchase the exact security is not known, but the main characteristics of it are specified. Although the price has been established at the time of purchase, the principal value has not been finalised. As a TBA is not settled at the time of purchase, this may lead to leveraged positions within a Fund. Purchasing a TBA involves a risk of loss if the value of the security to be purchased declines prior to the settlement date. Risks may also arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts. In certain jurisdictions, TBAs may be classed as financial derivative instruments.

The Funds may dispose of a commitment prior to settlement if it is deemed appropriate to do so. Proceeds of TBA sales are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment (deliverable on or before the sale commitment date), are held as cover for the transaction.

If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, the Fund realises a gain or loss on the commitment without regard to any unrealised gain or loss on the underlying security. If the Fund delivers securities under the commitment, the Fund realises a gain or loss from the sale of the securities upon the unit price established at the date the commitment was entered into.

Exposure to Property and Property Securities within Exchange Traded Funds

The performance of property securities are not indicative of the performance of the property market as a whole. Property investments are subject to many factors including adverse changes in economic conditions, adverse local market conditions, risks associated with the acquisition, financing, ownership, operation and disposal of real property. The value of real property will generally be a matter of a valuer's opinion rather than fact and the value of a property may be significantly diminished in the event of a downturn in the property market.

Exposure to Commodities within Exchange Traded Funds

An exchange-traded fund investing in commodities may do so by synthetically replicating the performance of a commodities index. The underlying index may concentrate investment on selected commodity futures of multinational markets. This makes the underlying Fund extremely dependent on the performance of the commodity markets concerned.

Investments in Exchange Traded Funds and Undertakings for Collective Investment

A Fund may invest in Exchange Traded Funds and/or Undertakings for Collective Investment ("UCIs"), which may include Index Funds. In addition to the fees, costs and expenses payable by a shareholder in the Fund, each investor may also indirectly bear a portion of the costs, fees and expenses of the underlying Exchange Traded Fund and/or UCI, including management, investment management, performance, administration and other such expenses. However, please see paragraph 23 of Appendix B for further details of the indirect costs that may be borne by investors where such Exchange Traded Funds or UCIs are managed, directly or by delegation, by the Management Company itself or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or voting rights.

While index-tracking or replicating Exchange Traded Funds and Index Funds seek to track the performance of their respective benchmark indices whether through a replication or optimising strategy, there is no guarantee that they will achieve perfect tracking and these Exchange Traded Funds and Index Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective benchmark indices, from time to time. This tracking error may result from an inability to hold the exact constituents of the benchmark index, for example where there are local market trading restrictions, small illiquid components, a temporary unavailability or interruption in trading of certain securities comprising the benchmark index. In addition, these Exchange Traded Funds and Index Funds rely on index licences granted by third party index providers to use and track the benchmark indices. In the event that an index provider terminates or varies an index licence, it will affect the ability of these impacted Exchange Traded Funds and Index Funds to continue to use and track their benchmark indices and to meet their investment objectives. In addition, there is no assurance that an index provider will compile the benchmark index accurately, or that the benchmark index will be determined, composed or calculated accurately. While the index provider does provide descriptions of what the benchmark index is designed to achieve, the index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the benchmark index, and does not guarantee that the Benchmark Index will be in line with the described index methodology. Regardless of market conditions, these Exchange Traded Funds and Index Funds aim to track the performance of their respective benchmark indices and do not seek to outperform their respective benchmark indices. Some Exchange Traded Funds and Index Funds may use optimisation techniques to track the performance of their respective benchmark indices. Optimisation techniques may include the strategic selection of some (rather than all) of the securities that make up the benchmark index, holding securities in proportions that differ from the proportions of the benchmark index and/or the use of financial derivative instruments to track the performance of certain securities that make up the benchmark index. These Exchange Traded Funds and Index Funds may also select securities which are not underlying constituents of the relevant benchmark index where such securities provide similar performance (with matching risk profile) to certain securities that make up the relevant benchmark index. Optimising funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective benchmark indices.

Emerging Markets

Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility, amongst these, those which exhibit the lowest levels of economic and/or capital market development may be referred to as frontier markets, and the below mentioned risks may be amplified for these markets.

Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries, as do environmental problems.

In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose capital gains taxes on foreign investors.

Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information by certain categories of investor.

The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Fund's acquisition or disposal of securities.

Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Company will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Fund is unable to acquire or dispose of a security. The Custodian is responsible for the proper selection and supervision of its correspondent banks in all relevant markets in accordance with Luxembourg law and regulation.

In certain emerging markets, registrars are not subject to effective government supervision nor are they always independent from issuers. Investors should therefore be aware that the Funds concerned could suffer loss arising from these registration problems.

Sovereign Debt
Sovereign debt refers to debt obligations issued or guaranteed by governments or their agencies and instrumentalities (each a "governmental entity"). Investments in sovereign debt may involve a degree of risk. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the international monetary bodies, any constraints placed on it by inclusion in a common monetary policy, or any other constraints to which a governmental entity might be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and other foreign entities to reduce principal and interest arrears on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign debt. Holders of sovereign debt, including a Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities.

Sovereign debt holders may also be affected by additional constraints relating to sovereign issuers which may include (i) the restructuring of such debt (including the reduction of outstanding principal and interest and or rescheduling of repayment terms) without the consent of the impacted Fund(s) (e.g. pursuant to legislative actions unilaterally taken by the sovereign issuer and/or decisions made by a qualified majority of the lenders); and (ii) the limited legal recourses available against the sovereign issuer in case of failure of or delay in repayment (for example there may be no bankruptcy proceedings available by which sovereign debt on which a government entity has defaulted may be recovered).

Restrictions on Foreign Investment
Some countries prohibit or impose substantial restrictions on investments by foreign entities such as a Fund. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of a Fund. For example, a Fund may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Fund. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which a Fund may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where a Fund places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the Fund of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to a Fund's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. A Fund could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Fund of any restriction on investments. A number of countries have authorised the formation of closed-end investment companies to facilitate indirect foreign investment in their capital markets. Shares of certain closed-end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If a Fund acquires shares in closed-end investment companies, shareholders would bear both their proportionate share of expenses in the Fund (including management fees) and, indirectly, the expenses of such closed end investment companies. A Fund may also seek, at its own

cost, to create its own investment entities under the laws of certain countries.

Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia, this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Custodian). No certificates representing ownership of Russian companies will be held by the Custodian or any correspondent or in an effective central depositary system. As a result of this system and the lack of state regulation and enforcement, the Company could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight.

Any Fund investing directly in local Russian stock will limit its exposure to no more than 10% of its Net Asset Value, except for investment in securities listed on MICEX-RTS, which is recognised as being a regulated market.

As a result of Russia's action in Crimea, as at the date of this Prospectus, the United States, European Union and other countries have imposed sanctions on Russia. The scope and level of the sanctions may increase and there is a risk that this may adversely affect the Russian economy. These sanctions could also lead to Russia taking counter measures more broadly against Western and other countries. Depending on the form of action which may be taken by Russia, it could potentially become more difficult for investors outside Russia, including the Funds, to continue investing in Russia and/or to liquidate Russian investments and expatriate funds out of Russia. If this were to occur, the Directors may (at their discretion) take such action as they consider to be in the interests of investors in Funds which have investment exposure to Russia, including, if necessary, suspending trading in the Funds (see paragraph 27 of Appendix A – Suspension and Deferrals for more details).

Bond Downgrade Risk

A Fund may invest in highly rated / investment grade bonds, however, where a bond is subsequently downgraded it may continue to be held in order to avoid a distressed sale. To the extent that a Fund does hold such downgraded bonds, there will be an increased risk of default on repayment, which in turn translates into a risk that the capital value of the Fund will be affected. Investors should be aware that the yield or the capital value of the Fund (or both) could fluctuate.

Funds Investing in Multiple Strategies

A Fund may invest in a variety of investment strategies and instruments while aiming to be highly diversified in terms of risk and returns. Such a Fund is therefore directly and indirectly, through its investments, subject to the risks each of these investment strategies and instruments are subject to.

Funds Employing Event-Driven Strategies

Event-driven strategies seek to identify security price changes resulting from catalysts such as announced mergers and acquisitions, company offers, spinoffs and splitoffs, financial/strategic restructuring, management changes, synergistic acquisitions, as well as other transformative events. Investment decisions may take into account the Investment Adviser's perceptions of the likelihood that the event or transaction will occur, the amount of time that the process will take and the perceived expected value following the catalyst. The success of event-driven trading depends on the successful prediction of whether various catalyst events will occur or be consummated. If a proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the securities purchased by the Fund may decline sharply and result in losses to the Fund.

The Fund may purchase securities at prices only slightly below the anticipated value to be paid or exchanged for the securities in the proposed merger, exchange offer, cash tender offer or other similar transaction. The purchase price to the Fund may be substantially above the prices at which such securities traded immediately prior to the announcement of such merger, exchange offer, cash tender offer or other similar transaction. If the proposed merger, exchange offer, cash tender offer or other similar transaction appears likely not to be consummated or in fact is not consummated or is delayed, or if the value of a transaction is reduced, the market price of the security to be tendered or exchanged may, and likely will, decline sharply by an amount greater than the difference between the Fund's purchase price and the anticipated consideration to be paid. In addition, where a security to be issued in a merger or exchange offer has been sold short in the expectation that the short position will be covered by delivery of such security when issued, failure of the merger or exchange offer to be consummated may force the Fund to cover its short sale, with a resulting, and perhaps significant, loss. In addition, if the Investment Adviser determines that the offer price for a security which is the subject of a tender offer is likely to be increased, either by the original bidder or by another party, the Fund may purchase securities above the offer price, thereby exposing the Fund to an even greater degree of risk of loss.

Where the Investment Adviser determines that it is probable that a transaction will not be consummated, the Fund may sell the securities of the target company short, at times significantly below the announced tender or offering prices for the securities in the transaction. If the transaction, or another transaction, such as a "defensive" merger or a "friendly" tender offer, is consummated at the announced price or a higher price, the Fund may be forced to cover the short position in the market at a higher price than the short sale price, with a resulting, and perhaps significant, loss.

The consummation of mergers, exchange offers, cash tender offers or other similar transactions can be prevented or delayed by a variety of factors. An exchange offer or a cash tender offer by one company for the securities of another will often be opposed by the management or shareholders of the target company on the grounds that the consideration offered is inadequate or for a variety of other reasons, and this opposition may result in litigation which may significantly delay or prevent consummation of the transaction by alleging, among other things, that the offering material supplied by the offeror contains inadequate, false or misleading disclosures, that the offeror has, by its activities in connection with the offer, violated federal and/or state securities or takeover laws, or that the proposed acquisition would violate federal antitrust laws, merger regulations or other statutes or regulations. Even if the business terms and other relevant matters necessary to consummate the transaction have been agreed upon by the management of the companies involved, the consummation of such transaction may be prevented or delayed by: the intervention of a government regulatory agency which might have regulatory power over the companies or the transaction; litigation brought by a shareholder or, in the case of a merger, the failure to receive the necessary shareholder approvals, market conditions resulting in material changes in securities prices; and other circumstances, including, but not limited to, the failure to meet certain conditions customarily specified in acquisition agreements. Even if the defensive activities of a target company or the actions of regulatory authorities fail to defeat a transaction, such activities may cause significant delays, during which the Fund's capital will be committed to the transaction and interest charges on any funds borrowed to finance the Fund's activities in connection with the transaction may be incurred.

Transactions may also be contingent on certain contractual conditions precedent such as available financing for an acquirer or the absence of any material adverse changes between the date the transaction is agreed to and the closing date of the transaction. The future of any such conditions precedent could result in non-consummation or delay in the closing of such transactions resulting in potentially significant losses to the Fund.

Offerors in tender or exchange offers customarily reserve the right to cancel such offers in the above and a variety of other circumstances, including an insufficient response from shareholders of the target company.

An exchange offer or a cash tender offer may be made for less than all of the outstanding securities of an issuer, with the provision that, if a greater number is tendered, securities will be accepted on a pro rata basis. Thus, after the completion of the offer, and at a time when the market price of the securities has declined below its cost, the Fund may have returned to it, and be forced to sell at a loss, a portion of the securities it tendered.

Excessive Trading Policy

The Funds do not knowingly allow investments that are associated with excessive trading practices, as such practices may adversely affect the interests of all shareholders. Excessive trading includes individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by excessively frequent or large trades.

Investors should, however, be aware that the Funds may be utilised by certain investors for asset allocation purposes or by structured product providers, which may require the periodic re-allocation of assets between Funds. This activity will not normally be classed as excessive trading unless the activity becomes, in the opinion of the Directors, too frequent or appears to follow a timing pattern.

As well as the general power of Directors to refuse subscriptions or conversions at their discretion, powers exist in other sections of this Prospectus to ensure that shareholder interests are protected against excessive trading. These include:

- fair value pricing – Appendix A paragraph 15;
- price swinging – Appendix A paragraph 16(c);
- in specie redemptions – Appendix A paragraph 22; and
- conversion charges – Appendix A paragraphs 17-19.

In addition, where excessive trading is suspected, the Funds may:

- combine Shares that are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in excessive trading practices. Accordingly, the Directors reserve the right to reject any application for switching and/or subscription of Shares from investors whom they consider to be excessive traders;
- adjust the Net Asset Value per Share to reflect more accurately the fair value of the Funds' investments at the point of valuation. This will only take place if the Directors believe that movements in the market price of underlying securities mean that in their opinion, the interests of all shareholders will be met by a fair price valuation; and
- levy a redemption charge of up to a maximum of 2% on the redemption proceeds to shareholders whom the Directors, in their reasonable opinion, suspect of excessive trading. This charge will be made for the benefit of the Funds, and affected shareholders will be notified in their contract notes if such a fee has been charged.

Share Classes and Form of Shares

Shares in the Funds are divided into Class A, Class C, Class D, Class E, Class H, Class I, Class J, Class T, Class U, Class X and Class Z Shares, representing eleven different charging structures. With the exception of Class T and Class Z Shares which are only available as Non-Distributing Shares, Shares of each of the other Share Classes are further divided into Distributing and Non-Distributing Share Classes. Non-Distributing Shares do not pay dividends, whereas Distributing Shares may pay dividends. See Section 'Dividends' for further information.

Non-Distributing Shares of any Share Class are also referred to using the number 2 e.g. Class A2.

Distributing Shares which pay dividends monthly are further divided into Shares as follows:

- Shares for which dividends are calculated daily and are known as Distributing (D) Shares, which in any Share Class are also referred to using the number 1, e.g. Class A1.
- Shares for which dividends are calculated monthly are known as Distributing (M) Shares, which in any Share Class are also referred to using the number 3, e.g. Class A3.
- Shares for which dividends are calculated monthly on the basis of expected gross income are known as Distributing (S) Shares, which in any Share Class are also referred to using the number 6. e.g. Class A6. Please note that as of

the date of this Prospectus, Class A6 are not yet available for subscription.

Distributing Shares which pay dividends quarterly and annually are as follows:

- Shares for which dividends are calculated quarterly and are known as Distributing (Q) Shares, which in any Share Class are also referred to using the number 5. e.g. Class A5.
- Shares for which dividends are calculated annually and are known as Distributing (A) Shares, which in any Share Class are also referred to using the number 4, e.g. Class A4.

Share Classes which have obtained the UK Reporting Fund status will also be referred to using the abbreviation RF, e.g. Class A5 (RF).

Most of the Funds deduct their charges from the income produced from their investments however some may deduct some or all of their charges from capital. Whilst this might allow more income to be distributed, it may also have the effect of reducing the potential for capital growth.

Class A Shares
Class A Shares are available to all investors as Distributing and Non-Distributing Shares and are issued as registered shares and global certificates. Unless otherwise requested, all Class A Shares will be issued as registered shares.

Class C Shares
Class C Shares are available as Distributing and Non-Distributing Shares to clients of certain distributors (which provide nominee facilities to investors) and to other investors at the discretion of the Management Company. Class C Shares are available as registered shares only.

Class D Shares
Class D Shares are available as Distributing and Non-Distributing Shares and are issued as registered shares and global certificates. Unless otherwise requested, all Class D Shares will be issued as registered shares. They are only available to: (i) certain distributors who have separate fee arrangements with their clients and (ii) other investors at the Management Company's discretion. In relation to Spain, the Management Company has decided to allow only Institutional Investors to invest in Class D Shares in addition to those mentioned under (i) above.

Class E Shares
Class E Shares are available in certain countries, subject to the relevant regulatory approval, through specific distributors selected by the Management Company and the Principal Distributor (details of which may be obtained from the local Investor Servicing team). They are available as Distributing and Non-Distributing Shares and are issued as registered shares and global certificates. Unless otherwise requested, all Class E Shares will be issued as registered shares.

Class H Shares
Class H Shares are available to all investors as Distributing and Non-Distributing Shares and are issued as registered shares and global certificates. Unless otherwise requested, all Class H Shares will be issued as registered shares. Class H shares are intended for individuals who have sufficient funds to meet the investment minimum of USD50,000.

Class I Shares
Class I Shares are available as Distributing and Non-Distributing Shares to Institutional Investors and are issued as registered shares and global certificates. Unless otherwise requested, all Class I Shares will be issued as registered shares. They are only available at the Management Company's discretion.

Class I Shares are only available to Institutional Investors within the meaning of Article 174 of the 2010 Law. Investors must demonstrate that they qualify as Institutional Investors by providing the Company and its Transfer Agent or the local Investor Servicing team with sufficient evidence of their status.

On application for Class I Shares, Institutional Investors indemnify the Company and its functionaries against any losses, costs or expenses that the Company or its functionaries may incur by acting in good faith upon any declarations made or purporting to be made upon application.

Class J Shares
Class J Shares are available to funds whose objective is to invest in other funds. They are available as Distributing and Non-Distributing Shares and are issued as registered shares and global certificates. Unless otherwise requested, all Class J Shares will be issued as registered shares.

Class J Shares are only available to Institutional Investors within the meaning of Article 174 of the 2010 Law. Investors must demonstrate that they qualify as Institutional Investors by providing the Company and its Transfer Agent or the local Investor Servicing team with sufficient evidence of their status.

On application for Class J Shares, Institutional Investors indemnify the Company and its functionaries against any losses, costs or expenses that the Company or its functionaries may incur by acting in good faith upon any declarations made or purporting to be made upon application.

Class T Shares
Class T Shares are available as Non-Distributing Shares to Institutional Investors and are issued as registered shares and global certificates. Unless otherwise requested, all Class T Shares will be issued as registered shares. They are only available at the Management Company's discretion. Class T Shares shall not be available for subscription by new investors until such time as the Directors otherwise determine. For the avoidance of doubt, any existing shareholder who has subscribed for Class T Shares at the Management Company's discretion prior to 27 March 2013 may continue to make additional subscriptions for Class T Shares.

Class T Shares are only available to Institutional Investors within the meaning of Article 174 of the 2010 Law. Investors must demonstrate that they qualify as Institutional Investors by providing the Company and its Transfer Agent or the local Investor Servicing team with sufficient evidence of their status.

On application for Class T Shares, Institutional Investors indemnify the Company and its functionaries against any losses, costs or expenses that the Company or its functionaries may incur by acting in good faith upon any declarations made or purporting to be made upon application.

Class U Shares
Class U Shares are available as Distributing and Non-Distributing Shares and are issued as registered shares and global certificates. Unless otherwise requested, all Class U Shares will be issued as registered shares. They are only available to certain distributors who have separate fee arrangements with their clients and other investors at the Management Company's discretion.

Class X Shares
Class X Shares are available as Non-Distributing Shares and Distributing Shares, and are issued as registered shares only at the discretion of the Investment Advisers and their affiliates. No management fees are payable in respect of Class X Shares (instead a fee will be paid to the relevant Investment Adviser(s) or affiliates under an agreement).

Class X Shares are only available to Institutional Investors within the meaning of Article 174 of the 2010 Law and who have entered into a separate agreement with the relevant entity of the BlackRock Group. Investors must demonstrate that they qualify as Institutional Investors by providing the Company and its Transfer Agent or the local Investor Servicing team with sufficient evidence of their status.

On application for Class X Shares, Institutional Investors indemnify the Company and its functionaries against any losses, costs or expenses that the Company or its functionaries may incur by acting in good faith upon any declarations made or purporting to be made upon application.

Class Z Shares
Class Z Shares are available as Non-Distributing Shares, and are only issued as registered shares. They are only available at the Management Company's discretion.

Hedged Share Classes
The hedging strategies applied to Hedged Share Classes may vary on a Fund by Fund basis. Funds will apply a hedging strategy which aims to mitigate currency risk between the Net Asset Value of the Fund and the currency of the Hedged Share Class, while taking account of practical considerations including transaction costs.

All gains/losses or expenses arising from hedging transactions are borne separately by the shareholders of the respective Hedged Share Classes.

General
Investors purchasing any Share Class through a distributor will be subject to the distributor's normal account opening requirements. Title to registered shares is evidenced by entries in the Company's Share register. Shareholders will receive confirmation notes of their transactions. Registered share certificates are not issued.

Global certificates are available under a registered common global certificate arrangement operated with Clearstream International and Euroclear. Global certificates are registered in the Company's share register in the name of Clearstream International and Euroclear's common depository. Physical share certificates are not issued in respect of global certificates. Global certificates may be exchanged for registered shares under arrangements between Clearstream International, Euroclear and the Central Paying Agent.

Information on global certificates and their dealing procedures is available on request from the local Investor Servicing team.

Shareholders must meet the investment criteria for any Share Class in which they intend to invest (such as minimum initial investment and specified investor type). If a purchase request is unintentionally processed for shares in a Share Class in which a shareholder does not meet the investment criteria then the Directors reserve the right to redeem such shareholder's shares. In such a scenario the Directors are not obliged to give the shareholder prior notice of its actions and the investor bears any consequent risk including that of market movement. The Directors may also decide, upon prior consultation with and approval of the relevant shareholder, to switch the investor into a more appropriate Share Class in the relevant Fund (where available).

New Funds or Share Classes
The Directors may create new Funds or issue further Share Classes. This Prospectus will be supplemented to refer to these new Funds or Share Classes.

Dealing in Fund Shares
Dealing
Dealing in Shares in each Fund can normally be effected on any day that is a Dealing Day for the relevant Fund (see Appendix F for specific fund details and the definitions of "Dealing Day" and "Business Day" in the Glossary). Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on the relevant Dealing Day (the "Cut-Off Point"), with the exception of BlackRock European Credit Strategies Fund, BlackRock European Constrained Credit Strategies Fund, BlackRock Global Event Driven Fund and BlackRock Multi-Strategy Absolute Return Fund which have a Cut-Off Point of 12 noon Luxembourg time two Business Days prior to their Dealing Days. Such orders shall be processed on that day and the prices applied will be those calculated in the afternoon of the Dealing Day for daily and weekly dealing Funds, and those calculated in the morning of the Business Day following the Dealing Day and normally published on the second Business Day, for fortnightly dealing Funds. The prices applied to the BlackRock Euro Dynamic Diversified Growth Fund will be those calculated in the morning of the Business Day following the Dealing Day and normally published on the second Business Day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. At the discretion of the Company, dealing orders transmitted by a paying agent or correspondent bank or other entity aggregating deals on behalf of its underlying

clients before the Cut-Off Point but only received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point may be treated as if they had been received before the Cut-Off Point.

Shareholders in AUD denominated Share Classes (where available) should refer to "Summary of Subscription Procedure and Payment Instructions" for additional information regarding dealing at the end of the Australian tax year.

At the discretion of the Company, prices applied to orders backed by uncleared funds may be those calculated in the afternoon of the Dealing Day following receipt of cleared funds for daily and weekly dealing funds or those calculated in the morning of the Business Day following to the Dealing Day after receipt of the cleared funds for the fortnightly dealing Funds. The prices applied to the BlackRock Euro Dynamic Diversified Growth Fund will be those calculated in the morning of the Business Day following the Dealing Day and normally published on the second Business Day. Further details and exceptions are described under the sections entitled "Application for Shares", "Redemption of Shares" and "Conversion of Shares" below. Once given, applications to subscribe and instructions to redeem or convert are irrevocable except in the case of suspension or deferral (see paragraphs 27 to 30 of Appendix A) and cancellation requests received before 12 noon Luxembourg time at the relevant Fund's Cut-Off Point. Orders placed through distributors rather than directly with the Transfer Agent or the local Investor Servicing team may be subject to different procedures which may delay receipt by the Transfer Agent or the local Investor Servicing team. Investors should consult their distributor before placing orders in any Fund.

Where shareholders subscribe for or redeem Shares having a specific value, the number of Shares dealt in as a result of dividing the specific value by the applicable Net Asset Value per Share is rounded to two decimal places. Such rounding may result in a benefit to the Fund or the shareholder.

Shareholders should note that the Directors may determine to restrict the purchase of Shares in certain Funds, including, without limitation, where any such Fund, and/or the investment strategy of any such Fund, has become "capacity constrained", when it is in the interests of such Fund and/or its shareholders to do so, including without limitation (by way of example), when a Fund or the investment strategy of a Fund reaches a size that in the opinion of the Management Company and/or Investment Advisers could impact its ability to implement its investment strategy, find suitable investments or efficiently manage its existing investments. When a Fund has reached its capacity limit, the Directors are authorised from time to time to resolve to close the Fund or any Share Class to new subscriptions either for a specified period or until they otherwise determine in respect of all shareholders. Should a Fund then fall beneath its capacity limit, including without limitation (by way of example), as result of redemptions or market movements, the Directors are permitted, in their absolute discretion, to re-open the Fund or any Share Class on a temporary or permanent basis. Information on whether the purchase of Shares in a Fund at a specific point in time is restricted in this way is available from the local Investor Servicing team.

Non-Dealing Days

Some Business Days will not be Dealing Days for certain Funds where, for example, a substantial amount of such Fund's portfolio is traded in market(s) which are closed. In addition, the day immediately preceding such a relevant market closure may be a non-Dealing Day for such Funds, in particular where the Cut-Off Point occurs at a time when the relevant markets are already closed to trading, so that the Funds will be unable to take appropriate actions in the underlying market(s) to reflect investments in or divestments out of Fund Shares made on that day. A list of the Business Days which will be treated as non-Dealing Days for certain Funds from time to time can be obtained from the Management Company upon request and is also available in the "Library" section at: http://www.blackrock.co.uk/individual/library/index. This list is subject to change.

General
Confirmation notes and other documents sent by post will be at the risk of the investor.

Prices of Shares
Prices are determined in the afternoon of the Dealing Day for daily and weekly dealing Funds and in the morning of the following Business Day for fortnightly dealing Funds. The prices are determined in the morning of the Business Day following the Dealing Day and normally published on the second Business Day for the Euro Dynamic Diversified Growth Fund. Prices are quoted in the Dealing Currency(ies) of the relevant Fund. In the case of those Funds for which two or more Dealing Currencies are available, if an investor does not specify his choice of Dealing Currency at the time of dealing then the Base Currency of the relevant Fund will be used.

The most recent available prices for Shares may be obtained during business hours from the local Investor Servicing team and are also available from the BlackRock website. They will also be published in such countries as required under applicable law and at the discretion of the Directors in a number of newspapers or electronic platforms worldwide. The Company cannot accept any responsibility for error or delay in the publication or non-publication of prices. Historic dealing prices for all Shares are available from the Fund Accountant or the local Investor Servicing team.

Class A, Class D, Class E, Class H, Class I, Class J, Class T, Class U, Class X and Class Z Shares
Class A, Class D, Class E, Class H, Class I, Class J, Class T, Class U, Class X and Class Z Shares may normally be acquired or redeemed at their Net Asset Value. Prices may include or have added to them, as appropriate: (i) an initial charge; (ii) a distribution fee; and (iii) in limited circumstances, adjustments to reflect fiscal charges and dealing costs (see paragraph 16(c) of Appendix A). In certain Funds a CDSC, where applicable, will be deducted from the proceeds of redemption as described under "Fees, Charges and Expenses" and in Appendix F.

Class C Shares
Class C Shares may normally be acquired or redeemed at their respective Net Asset Values. No charge is added to or included in the price payable on acquisition or redemption

but a CDSC, where applicable, will be deducted from the proceeds of redemption as described under the Section "Fees, Charges and Expenses". Prices may include or have added to them, as appropriate, (i) a distribution fee; and (ii), in limited circumstances, adjustments to reflect fiscal charges and dealing costs (see paragraph 16(c) of Appendix A).

The specific levels of fees and charges that apply to each Share Class are explained in more detail under the Section "Fees, Charges and Expenses" and in Appendix F.

Application for Shares

Applications

Initial applications for Shares must be made to the Transfer Agent or the local Investor Servicing team on the appropriate application form. Certain distributors may allow underlying investors to submit applications through them for onward transmission to the Transfer Agent or the local Investor Servicing team. All initial applications for Shares must be made by completing the application form and returning it to the Transfer Agent or the local Investor Servicing team. Failure to provide the original application form will delay the completion of the transaction and consequently the ability to effect subsequent dealings in the Shares concerned. An initial application may not be made by fax.

Subsequent applications for Shares may, however, be made in writing or by fax and the Management Company may, at its sole discretion, accept individual dealing orders submitted via other forms of electronic communication. Investors who do not specify a Share Class in the application will be deemed to have requested Class A Non-Distributing Shares.

All application forms and other dealing orders must contain all required information, including (but not limited to) Share Class specific information such as the International Securities Identification Number (ISIN) of the Share Class the investor wishes to deal in. Where the ISIN quoted by the investor is different from any other Share Class specific information provided by the investor with respect to such order, the quoted ISIN shall be decisive and the Management Company and the Transfer Agent may process the order accordingly taking into account the quoted ISIN only.

Applications for registered shares should be made for Shares having a specified value and fractions of Shares will be issued where appropriate. Global certificates will usually be issued in whole shares only unless the relevant depository is able to accept fractional holdings.

The right is reserved to reject any application for Shares or to accept any application in part only. In addition, issues of Shares of any or all Funds may be deferred until the next Dealing Day or suspended, where the aggregate value of orders for all Share Classes of that Fund exceeds a particular value (currently fixed by the Directors at 5% by approximate value of the Fund concerned) and the Directors consider that to give effect to such orders on the relevant Dealing Day would adversely affect the interests of existing shareholders. This may result in some shareholders having subscription orders deferred on a particular Dealing Day, whilst others do not. Application for Shares so deferred will be dealt with in priority to later requests.

Investors acknowledge that personal information and information relating to their investments supplied to a member of the BlackRock Group may be processed by or transferred to or disclosed to any company in the BlackRock Group or any of its appointed agents (or their respective agents or delegates) including the Transfer Agent (as appropriate) world-wide in order to administer the services for which the investor has applied or may apply in the future.

This may involve the transfer of data by electronic media including the internet. The investor's information will be held in confidence and not shared other than as described without the investor's permission or as required by applicable law. Investors may at any time request information about the companies in the BlackRock Group and the countries in which they operate. Investors consent to their information being processed, transferred or disclosed within the BlackRock Group. Investors may at any time request a copy of the information held about it and request any errors to be corrected. Should the investor wish to enjoy protection in respect of its personal data under Luxembourg law it should make its application directly to the Transfer Agent.

Settlement

For all Shares, settlement in cleared funds net of bank charges must be made within three Business Days of the relevant Dealing Day unless otherwise specified in the contract note in cases where the standard settlement date is a public holiday for the currency of settlement. If timely settlement is not made (or a completed application form is not received for an initial subscription) the relevant allotment of Shares may be cancelled and an applicant may be required to compensate the relevant distributor and/or the Company (see paragraph 24 of Appendix A).

Payment instructions are summarised at the back of this Prospectus. Payment must be made by telegraphic transfer although the Directors retain the right to accept payment as settlement through other means on a case by case basis. Payment by cash or cheque will not be accepted.

Settlement should normally be made in the Dealing Currency for the relevant Fund or, if there are two or more Dealing Currencies for the relevant Fund, in the one specified by the investor. An investor may, by prior arrangement with the Transfer Agent or the local Investor Servicing team, provide the Transfer Agent with any major freely convertible currency and the Transfer Agent will arrange the necessary currency exchange transaction. Any such currency exchange will be effected at the investor's risk and cost.

The Management Company may, at its discretion, accept subscriptions in specie, or partly in cash and in specie, subject always to the minimum initial subscription amounts and the additional subscription amounts and provided further that the value of such subscription in specie (after deduction of any relevant charges and expenses) equals the subscription price of the Shares. Such securities will be valued on the relevant Dealing Day and, in accordance with Luxembourg law, are subject to a special report of the auditor. Further details of redemptions in specie are set out in paragraph 22 of Appendix A.

Minimum Subscription and Minimum Additional Subscription
The minimum initial subscription in respect of Class A, Class C and Class E Shares of a Fund is currently USD5,000. The minimum subscription for Class H Shares is USD50,000. The minimum subscription for Class D Shares is USD100,000. The minimum initial subscription in respect of Class I Shares is currently USD10 million (except in the case of BlackRock Euro Dynamic Diversified Growth Fund and BlackRock Multi-Strategy Absolute Return Fund where the minimum subscription amount is USD1 million). The minimum initial subscription in respect of Class J and X Shares is currently USD10 million. The minimum subscription for Class T Shares is currently USD30 million. The minimum subscription for Class U Shares is USD500,000. The minimum subscription for Class Z Shares is currently USD50 million. In all cases, the minimum initial subscription will also be accepted in the approximate equivalent amount in the relevant Dealing Currency.

The minimum for additions to Class A, Class C, Class D, Class E and Class U Shares of a Fund is USD1,000. The minimum for additions to Class H Shares is USD5,000. The minimum for additions to Class I, Class J, Class T, Class X and Class Z Shares of a Fund is USD10,000.

These minima may be varied or waived for any particular case or distributor or generally and it will also be accepted in the approximate equivalent amount in the relevant Dealing Currency. Details of the current minima are available from the local Investor Servicing team.

Compliance with Applicable Laws and Regulations
Investors who wish to subscribe for Shares must provide the Transfer Agent and/or the Management Company and/or Custodian with all necessary information which they may reasonably require to verify the identity of the investor in accordance with applicable Luxembourg regulations on the prevention of the use of the financial sector for money laundering purposes and in particular in accordance with CSSF circular 08/387 as amended, restated or supplemented from time to time. Failure to do so may result in the Management Company rejecting a subscription order.

Furthermore, as a result of any other applicable laws and regulations, including but not limited to, other relevant anti-money laundering legislation, tax laws and regulatory requirements, investors may be required, in certain circumstances, to provide additional documentation to confirm their identity or provide other relevant information pursuant to such laws and regulations, as may be required from time to time, even if an existing investor. Any information provided by investors will be used only for the purposes of compliance with these requirements and all documentation will be duly returned to the relevant investor. Until the Transfer Agent and/or the Management Company and/or the Custodian receives the requested documentation or additional information, there may be a delay in processing any subsequent redemption requests and the Management Company reserves the right in all cases to withhold redemption proceeds until such a time as the required documentation or additional information is received.

The Transfer Agent shall at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to money laundering prevention and, in particular, with the law of 12 November 2004 on the fight against money laundering and terrorist financing and CSSF Circular 08/387 of 19 December 2008, as amended, restated or supplemented from time to time. The Transfer Agent shall furthermore adopt procedures designed to ensure, to the extent applicable, that it and its agents shall comply with the foregoing undertaking. Moreover, the Transfer Agent is legally responsible for identifying the origin of monies transferred, provided that such duties may be delegated, always subject to the responsibility and control of the Transfer Agent, to investment professionals and financial sector institutions required to enforce an identification procedure equal to that required under Luxembourg law. The Transfer Agent as well as the Custodian acting on behalf of the Company may require at any time additional documentation relating to the admission of an investor as a shareholder.

Redemption of Shares

Applications to Redeem
Instructions for the redemption of registered shares should normally be given by instructing the Transfer Agent or the local Investor Servicing team in writing, or by fax (in a format acceptable to the Company) and the Management Company may, at its sole discretion, accept individual dealing orders submitted via other forms of electronic communication. Instructions given by fax must be followed by confirmation in writing sent by mail to the Transfer Agent or the local Investor Servicing team, unless a cover-all renunciation and fax indemnity including instructions to pay the redemption proceeds to a specified bank account has been agreed. Failure to provide adequate written confirmation may delay settlement of the transaction (see also paragraph 20 of Appendix A). Certain distributors may allow underlying investors to submit instructions for redemptions through them for onward transmission to the Transfer Agent or the local Investor Servicing team. Written redemption requests (or written confirmations of such requests) must include the full name(s) and address of the holders, the name of the Fund, the Class (including whether it is the Distributing or Non-Distributing Share Class), the value or number of Shares to be redeemed and full settlement instructions and must be signed by all holders. If a redemption order is made for a cash amount or for a number of Shares to a higher value than that of the applicant's account then this order will be automatically treated as an order to redeem all of the Shares on the applicant's account.

Redemptions may be suspended or deferred as described in paragraphs 27 to 30 of Appendix A.

Settlement
Subject to paragraph 20 of Appendix A, redemption payments will normally be despatched in the relevant Dealing Currency on the third Business Day following the relevant Dealing Day, provided that the relevant documents (as described above and any applicable money laundering prevention information) have been received. On written request to the Transfer Agent or the local Investor Servicing team, payment may be made in such other currency as may be freely purchased by the Transfer Agent with the relevant Dealing Currency and such currency exchange will be effected at the shareholder's cost.

Redemption payments for Shares are made by telegraphic transfer to the shareholder's bank account at the shareholder's cost. Investors with bank accounts in the European Union must provide the IBAN (International Bank Account Number) and BIC (Bank Identifier Code) of their account. The Directors may, subject to the prior consent of a shareholder and to the minimum dealing and holding amounts, effect a payment of redemption proceeds in specie. Such redemption in specie will be valued on the relevant Dealing Day and, in accordance with Luxembourg law, is subject to a special report of the auditor. Further details of redemptions in specie are set out in paragraph 22 of Appendix A.

Conversion of Shares

Switching Between Funds and Share Classes

Investors may make conversions of their shareholdings between the same Share Class of the various Funds and thereby alter the balance of their portfolios to reflect changing market conditions (e.g. from Class A of one Fund into Class A of another Fund). The Company does not, however, offer the ability to make a conversion of a shareholder's holdings from Funds that can be dealt in on a daily basis to Funds that can be dealt in on weekly or fortnightly basis. See Appendix F for the dealing frequency of each Fund.

Conversions are also permitted from one Share Class of a Fund to Shares of another Shares Class of either the same Fund or a different Fund or between Distributing and Non-Distributing Shares of the same Shares Class or between hedged and un-hedged Shares of the same Shares Class (where available).

In addition, investors may convert between any Share Class of UK Reporting Fund status Shares, in the relevant currency and the equivalent class of Distributing Shares in non-UK Reporting Fund status currencies. Investors should note that a conversion between a Share Class which has UK Reporting Fund status and a Share Class which does not have UK Reporting Fund status may cause the shareholder to be subject to an "offshore income gain" on the eventual disposal of their interest in the Fund. If this is the case, any capital gain realised by investors on disposal of their investment (including any capital gain accruing in relation to the period where they held the UK Reporting Fund status Share Class) may be subject to tax as income at their appropriate income tax rate. Investors should seek their own professional tax advice in this regard.

Investors should note that a conversion between Shares held in different Funds may give rise to an immediate taxable event.

As tax laws differ widely from country to country, investors should consult their tax advisers as to the tax implications of such a conversion in their individual circumstances.

Investors may request conversions of the whole or part of their shareholding provided that the shareholder satisfies the conditions applicable to an investment in the applicable Share Class (see "Share Classes and Form of Shares" above). Such conditions include but are not limited to:

- satisfying any minimum investment requirement;
- demonstrating that they qualify as an eligible investor for the purposes of investing in a particular Share Class;
- suitability of the charging structure of the Share Class being converted into;
- satisfying any conversion charges that may apply,

provided that the Management Company may, at its discretion, elect to waive any of these requirements where it deems such action reasonable and appropriate under the circumstances.

For holders of all Share Classes, there is normally no conversion charge by the Management Company. However, conversion charges may apply in some circumstances – see paragraph 17 to 19 of Appendix A.

Conversion from a Share Class carrying a CDSC, where the CDSC is still outstanding, will not be treated as a conversion but as a redemption thereby causing any CDSC due at the time of conversion to become payable.

Conversion and investment into and out of certain Share Classes is at the discretion of the Management Company. At the Management Company's discretion and provided always that the investor is an Institutional Investor, conversion from any Share Class into Class I, Class J, Class T or Class X Shares is permitted.

The Management Company may, at its discretion, refuse conversions in order to ensure that the Shares are not held by or on behalf of any person who does not meet the conditions applicable to investment in that Share Class, or who would then hold the Shares in circumstances which could give rise to a breach of law, or requirements of any country, government or regulatory authority on the part of that person or the Company or give rise to adverse tax or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority.

Instructions to Convert

Instructions for the conversion of registered shares should normally be given by instructing the Transfer Agent or the local Investor Servicing team in writing, or by fax (in a format acceptable to the Company) and the Management Company may, at its sole discretion, accept individual conversion orders submitted via other forms of electronic communication. Certain distributors may allow underlying investors to submit instructions for conversions through them for onward transmission to the Transfer Agent or the local Investor Servicing team. Instructions may also be given by fax or in writing to the Transfer Agent or the local Investor Servicing team. Written conversion requests (or written confirmations of such requests) must include the full name(s) and address of the holder(s), the name of the Fund, the Share Class (including whether it is the Distributing or Non-Distributing Share Class), the value or number of Shares to be converted and the Fund to be converted into (and the choice of Dealing Currency of the Fund where more than one is available) and whether or not they are UK Reporting Fund status Shares.

Where the Funds to which a conversion relates have different Dealing Currencies, the currency will be converted at the relevant rate of exchange on the Dealing Day on which the conversion is effected.

Conversions may be suspended or deferred and an order for conversion into a Fund constituting over 10% of a Fund's value may not be accepted, as described in paragraphs 29 and 31 of Appendix A, respectively.

Exchange Privilege through Merrill Lynch
Merrill Lynch may allow investors who have acquired Shares through it to exchange their Shares for shares with a similar charging structure of certain other funds, provided that such exchange is permitted by the Fund in question and provided that Merrill Lynch believes that an exchange is permitted under applicable law and regulations. Details of this exchange privilege can be obtained from Merrill Lynch financial advisors or any local Investor Servicing team.

Minimum Dealing & Holding Sizes
The Company may refuse to comply with redemption, conversion or transfer instructions if they are given in respect of part of a holding in the relevant Share Class which has a value of less than USD1,000 or the approximate equivalent in the relevant Dealing Currency or if to do so would result in such a holding of less than USD5,000 or the approximate equivalent (except for Class H Shares where the minimum is USD50,000 or the approximate equivalent in value and for Class D Shares, Class I Shares, Class J Shares, Class T Shares, Class U Shares, Class X Shares and Class Z Shares where there is no required minimum once the initial subscription amount has been made). These minima may be varied or waived for any particular case or distributor or generally. Details of the current minima are available from the local Investor Servicing team.

If as a result of a withdrawal, switch or transfer, a small balance of Shares, meaning an amount of or equivalent to USD5 or less, is held by a shareholder, the Management Company shall have absolute discretion to realise this small balance and donate the proceeds to a UK registered charity selected by the Management Company.

Dividends

Dividend Policy
The Directors' current policy is to retain and reinvest all net income except for income attributable to Distributing Share Classes. For the Distributing Share Classes, the policy is to distribute substantially all the investment income for the period after deduction of expenses. The Directors may also determine if and to what extent dividends may include distributions from both net realised and net unrealised capital gains. Where Distributing Share Classes pay dividends that include net realised capital gains or net unrealised capital gains, or, in the case of Funds which distribute income gross of expenses, dividends may include initially subscribed capital.

Shareholders should note that dividends distributed in this manner may be taxable as income, depending on the local tax legislation, and should seek their own professional tax advice in this regard. Where a Fund has UK Reporting Fund status and reported income exceeds distributions made then the surplus shall be treated as a deemed dividend and will be taxed as income, subject to the tax status of the investor.

The frequency at which dividend payments are generally made is determined by the Fund type as described in the Section "Share Classes and Form of Shares".

Distributing Shares with alternative payment frequencies may be introduced at the Directors' discretion. Confirmation of additional distribution frequencies and the date of their availability can be obtained from the Company's registered office and the local Investor Servicing team. Please note that as of the date of this Prospectus, Distributing (S) Shares and Distributing (G) Shares are not yet available for subscription.

The Company may operate income equalisation arrangements with a view to ensuring that the level of net income accrued within a Fund (or gross income in the case of Distributing (G) Shares and Distributing (S) Shares) and attributable to each Share is not affected by the issue, conversion or redemption of those Shares during an accounting period.

Where an investor buys Shares during an accounting period, the price at which those Shares were bought may be deemed to include an amount of net income accrued since the date of the last distribution. The result is that, in relation to Distributing (M) Shares, Distributing (S) Shares, Distributing (Q) Shares or Distributing (A) Shares, the first distribution which an investor receives following purchase may include a repayment of capital. Accumulating Shares do not distribute income and so should not be impacted in the same way.

Where an investor sells Shares during an accounting period the redemption price in relation to Distributing (M) Shares, Distributing (S) Shares, Distributing (Q) Shares or Distributing (A) Shares, may be deemed to include an amount of net income accrued since the date of the last distribution. In the case of Distributing (G) Shares and Distributing (S) Shares, equalisation will be calculated on the gross income of the Fund. Accumulating Shares do not distribute income and so should not be impacted in the same way.

The list of Funds operating income equalisation arrangements and the income element included in the daily price of Distributing (M) Shares, Distributing (S) Shares, Distributing (Q) Shares and Distributing (A) Shares will be made available upon request from the Company's registered office.

Calculation of Dividends

The calculation method for each type of Distributing Share Class is described below:

	Calculation Method
Distributing (D) Shares	The dividend is calculated daily based upon daily-accrued income less expenses, for the number of Shares outstanding on that day. A cumulative monthly dividend is then distributed to shareholders based upon the number of Shares held and the number of days for which they were held during the period. Holders of Distributing (D) Shares shall be entitled to dividends from the date of subscription to the date of redemption.
Distributing (M) Shares	The dividend is calculated monthly based upon income accrued during the dividend period less expenses. The dividend is distributed to shareholders based upon the number of Shares held at the month end.
Distributing (S) Shares	The dividend is calculated at the discretion of the Directors on the basis of the expected gross income over a given period (such period to be determined by the Directors from time to time) with a view to providing consistent monthly dividend distributions to shareholders during such period. At the discretion of the Directors the dividend may include distributions from both net realised and net unrealised capital gains. The dividend is calculated monthly and distributed to shareholders based upon the number of Shares held at the month end.
Distributing (Q) Shares	The dividend is calculated quarterly based upon income accrued during the dividend period less expenses. The dividend is distributed to shareholders based upon the number of Shares held at the end of the quarter.
Distributing (A) Shares	The dividend is calculated annually based upon income accrued during the dividend period less expenses. The dividend is distributed to shareholders based upon the number of Shares held at the end of the annual period.

Where Distributing (G) Shares are issued, the calculation method set out above is amended to reflect that income is distributed gross of expenses, as is the case for all Distributing (S) Shares as set out in the table above.

Declaration, Payment of Reinvestment of Dividend

The chart below describes the declaration and payment of dividends and the reinvestment options available to shareholders.

<table>
<tr><th>Dividend Classification*</th><th>Declaration</th><th>Payment</th><th>Automatic Dividend Reinvestment</th><th>Payment Method</th></tr>
<tr><td>Distributing (D) Shares</td><td rowspan="3">Last Business Day of each calendar month in the Dealing Currency(ies) of the relevant Fund.</td><td>Within 1 calendar month of declaration to shareholders holding Shares during the period following the previous declaration.</td><td rowspan="5">Dividends will be automatically reinvested in further Shares of the same form of the same Share Class of the same Fund, unless the shareholder requests otherwise either in writing to the local Investor Servicing team or on the application form.</td><td rowspan="5">Dividends (where a shareholder has notified the local Investor Servicing team or on the application form) are paid directly into the shareholder's bank account by telegraphic transfer in the shareholder's chosen dealing currency at the shareholder's cost (except as otherwise agreed with by an underlying investor with his/her distributor).</td></tr>
<tr><td>Distributing (M) Shares</td><td rowspan="2">Within 1 calendar month of declaration to shareholders registered in the share register on the Business Day prior to the declaration date.</td></tr>
<tr><td>Distributing (S) Shares</td></tr>
<tr><td>Distributing (Q) Shares</td><td>20 March, 20 June, 20 September and 20 December (provided such day is a Business Day and if not, the following Business Day).</td><td>Within 1 calendar month of the date of the declaration to shareholders.</td></tr>
<tr><td>Distributing (A) Shares</td><td>Last Business Day of each fiscal year in the Dealing Currency(ies) of the relevant Fund.</td><td>Within 1 calendar month of declaration to shareholders registered in the share register on the Business Day prior to the declaration date.</td></tr>
</table>

* The options described in this chart will also apply to the respective Share Class(es) of UK Reporting Fund status Shares.

No initial charge or CDSC is made on Class A or Class C Distributing Shares, respectively, issued by way of dividend reinvestment.

It should be borne in mind that re-invested dividends may be treated for tax purposes in most jurisdictions as income received by the shareholder. Investors should seek their own professional tax advice in this regard.

Fees, Charges and Expenses

Please also see Appendix F for a summary of fees and expenses applicable to each Fund.

Management Fees

The Company pays the management fees at an annual rate as shown in Appendix F. The level of management fee varies according to which Fund and Share Class the investor buys. These fees accrue daily, are based on the Net Asset Value of the relevant Fund and are paid monthly. Certain costs and fees are paid out of the management fee, including the fees of the Investment Advisers.

Performance Fees

In addition, a performance fee may be payable out of each Share Class of each Fund, in addition to other fees and expenses mentioned in this Prospectus. The performance fee accrues on each Valuation Day and is equal to 10%, 20% or 24% (as applicable to the relevant Fund, as stated in Appendix F) of the amount by which the Net Asset Value per Share Return exceeds the appropriate benchmark return described in further detail in Appendix E.

Distribution Fees

The Company pays annual distribution fees as shown in Appendix F. These fees accrue daily, are based on the Net Asset Value of the relevant Fund (reflecting, when applicable, any adjustment to the Net Asset Value of the relevant Fund, as described in paragraph 16(c) of Appendix A) and are paid monthly.

Administration Fee

The Company pays an Administration Fee to the Management Company.

The level of Administration Fee may vary at the Directors' discretion, as agreed with the Management Company, and will apply at different rates across the various Funds and Share Classes issued by the Company. However, it has been agreed between the Directors and the Management Company that the Administration Fee currently paid shall not exceed 0.30% per annum. It is accrued daily, based on the Net Asset Value of the relevant Share Class and paid monthly.

The Directors and the Management Company set the level of the Administration Fee at a rate which aims to ensure that the total expense ratio of each Fund remains competitive when compared across a broad market of similar investment products available to investors in the Funds, taking into account a number of criteria such as the market sector of each Fund and the Fund's performance relative to its peer group.

The Administration Fee is used by the Management Company to meet all fixed and variable operating and administrative costs and expenses incurred by the Company, with the exception of the Custodian fees, Distribution fees and Securities Lending fees, plus any taxes thereon and any taxes at an investment or Company level.

These operating and administrative expenses include all third party expenses and other recoverable costs incurred by or on behalf of the Company from time to time, including but not limited to, fund accounting fees, transfer agency fees (including sub-transfer agency and associated platform dealing charges), all professional costs, such as consultancy, legal, tax advisory and audit fees, Directors' fees (for those Directors who are not employees of the BlackRock Group), travel expenses, reasonable out-of-pocket expenses, printing, publication, translation and all other costs relating to shareholder reporting, regulatory filing and licence fees, correspondent and other banking charges, software support and maintenance, operational costs and expenses attributed to the Investor Servicing teams and other global administration services provided by various BlackRock Group companies.

The Management Company bears the risk of ensuring that the Fund's total expense ratio remains competitive. Accordingly the Management Company is entitled to retain any amount of the Administration Fee paid to it which is in excess of the actual expenses incurred by the Company during any period whereas any costs and expenses incurred by the Company in any period which exceed the amount of Administration Fee that is paid to the Management Company, shall be borne by the Management Company or another BlackRock Group company.

Initial Charge

On application for Shares an initial charge, payable to the Principal Distributor, of up to 5% in the case of Class A Shares, Class D Shares, Class T Shares and Class U Shares or 3% in the case of Class E Shares may be added to the price of such Shares.

Contingent Deferred Sales Charge

CDSC of 1% will be deducted from redemption proceeds and paid on redemption of all Class C Shares of all Funds and in respect of other Funds where stated in Appendix F unless the Shares are held for more than a year.

The Directors are entitled to levy a discretionary redemption charge on shareholders of all Share Classes where they believe that excessive trading is being practised.

On redemption of Class C Shares (and other Share Classes where applicable and where stated in Appendix F), the relevant CDSC rate is charged on the lower of (i) the price of the redeemed shares on the Dealing Day for redemption or (ii) the price paid by the shareholder for the original purchase of the redeemed shares or for the shares from which they were converted or exchanged, in either case calculated in the relevant Dealing Currency of the redeemed shares.

No CDSC will be levied on the redemption of Class C Shares (and other Share Classes where applicable and where stated in Appendix F) derived from reinvestment of dividends.

The CDSC is levied by reference to the "Relevant Holding Period", which is an aggregate of the periods during which (a) the redeemed shares, and (b) the shares from which they were derived (if any) as a result of conversion or exchange, were held in any Fund.

When the Relevant Holding Period exceeds one year no CDSC is payable in respect of the redeemed shares.

In cases where redeemed shares are only part of a larger holding of Class C Shares (and other Share Classes where applicable and where stated in Appendix F), any Shares acquired by dividend reinvestment will be redeemed first; and where the holding consists of Class C Shares (and other Share Classes where applicable and where stated in Appendix F) acquired at different times, it will be assumed that those acquired first are redeemed first (thus resulting in the lowest CDSC rate possible).

Where the redeemed shares have a different dealing currency to the Shares (or similar shares from which they were converted or exchanged originally purchased), for purposes of determining the CDSC the price paid for the latter will be converted at the spot exchange rate on the Dealing Day for redemption.

The CDSC may be waived or reduced by the relevant distributor at its discretion or for shareholders who, after purchasing Class C Shares (and other Share Classes where applicable and where stated in Appendix F), become US Persons and are required to redeem their Shares as a result (see paragraph 4 of Appendix A).

Conversion Charges

Conversion charges may be applied by selected distributors or on excessively frequent conversions. See paragraphs 17 to 19 of Appendix A for further details.

Redemption Charges

A redemption charge of up to a maximum of 2% of the redemption proceeds can be charged to a shareholder at the discretion of the Directors where the Directors, in their reasonable opinion, suspect that shareholder of excessive trading as described in the Section "Excessive Trading Policy" of this Prospectus. This charge will be made for the benefit of the Funds, and shareholders will be notified in their contract notes if such a fee has been charged. This charge will be in addition to any applicable conversion charge or deferred sales charge.

Custodian Fee

The Custodian receives a fee in respect of each Fund. These fees are to remunerate the Custodian for safekeeping and transaction costs applicable to each Fund. These fees will vary in respect of each Fund depending on the value of assets under management and the volume of trading in that Fund.

For Funds which have low volume trading (less than 500 trades per month), the safekeeping fee which accrues daily, will range from 0.005% to 0.40% per annum and the transaction fees will range from USD7 to USD125 per transaction.

For Funds which engage in higher trading volumes, the Custodian will not charge separate safekeeping and transaction fees. The Custodian will receive a fee which will be charged on a sliding scale, based on the value of assets under management and the volume of trading within each Fund. These fees will range from 1 basis point to 15 basis points of assets under management of each Fund, depending on whether a particular Fund is considered to be a 'medium volume trading Fund' (between 501 and 1,500 trades per month) or 'high volume trading Fund' (greater than 1,500 trades per month).

Each of the Funds will also be subject to a minimum annual fee which will be set at either, USD30,000 for a low volume trading Fund, USD100,000 for medium volume trading Fund or USD150,000 for high volume trading Fund.

Trading volumes for each Fund will vary according to the investment strategy of each Fund. The combined custody cost to each Fund will depend on its asset allocation and trading activity at any time.

The actual fees payable to the Custodian in respect of each Fund for each 12 month period will be set out in the annual report.

Rebates

The Principal Distributor is entitled, at its sole discretion and without recourse or cost to the Company, to waive any initial charge, in whole or in part, or determine to make a rebate payment in respect of the payment of any fees charged in respect of any holding of Shares to any investor (including discounts on charges to directors and employees of the Principal Distributor and its affiliates in the BlackRock Group) or its distributors, authorised intermediaries or other agents in respect of any subscriptions for, redemption or holdings of, Shares.

Rebates of any annual management fee or distribution fee will not exceed the amount of the annual management fee or distribution fee for each Fund as set out in Appendix F and on average, will not be expected to exceed 50% of these fees.

The terms of any rebate will be agreed between the Principal Distributor and the relevant investor from time to time. If so required by applicable rules, the investor shall disclose to any underlying clients the amount of any rebate on the annual management fee it receives from the Principal Distributor. The Management Company shall also disclose to shareholders, upon request, details of any rebate paid by the Principal Distributor to an authorised intermediary in connection with a holding of Shares where the authorised intermediary has acted on behalf of that shareholder. Payment of such rebates is subject to the Management Company and the Principal Distributor receiving their fees and charges from the Company.

As a result of the UK Regulator's Retail Distribution Review, neither the Management Company nor the Principal Distributor intend to pay initial or renewal commission or rebate of the annual management charge, to authorised intermediaries or to third party distributors or agents in respect of any subscriptions for, or holdings of, units for any UK retail investors in respect of investments made as a result of the investor having received a personal recommendation on or after 31 December 2012.

Closures

If a Fund is closed at a time when any expenses previously allocated to that Fund have not been amortised in full, the Directors shall determine how the outstanding expenses should be treated, and may, where appropriate, decide that the outstanding expenses should be met by the Fund as a liquidation expense.

General
Over time, the different charging structures summarised above may result in Shares of different Share Classes of the same Fund, which were bought at the same time, producing different investment returns. In this context investors may also wish to consider the services provided by their distributor in relation to their Shares.

The Principal Distributor, is entitled to receive:

- the initial charge of up to 5% of the price of the Class A Shares issued, where levied;
- the initial charge of up to 5% of the price of the Class D Shares issued, where levied;
- the initial charge of up to 5% of the price of the Class H Shares issued, where levied;
- the initial charge of up to 5% of the price of the Class U Shares issued, where levied;
- the initial charge of up to 5% of the price of the Class T Shares issued, where levied;
- the initial charge of up to 3% of the Net Asset Value of the Class E Shares issued, where levied;
- the CDSC on redemptions;
- the Management Company's charge on excessively frequent conversions of any Share Class (see paragraph 19 of Appendix A); and
- any distribution fees.

Taxation
The following summary is based on current law and practice, which is subject to change. The information given is not exhaustive and does not constitute legal or tax advice. Certain shareholders, such as dealers in securities, insurance companies and collective investment vehicles, may be taxed differently and are not considered below.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, redeeming, converting or selling shares under the laws of their country of citizenship, residence or domicile.

Luxembourg
Under present Luxembourg law and practice, the Company is not liable to any Luxembourg income tax, net wealth tax or capital gains tax, nor are dividends paid by the Company subject to any Luxembourg withholding tax. However, Class A Shares, Class C Shares, Class D Shares, Class E Shares, Class H Shares, Class U Shares and Class Z Shares of the Company are liable to a tax in Luxembourg at a rate of 0.05% per annum and Class I Shares, Class J Shares, Class T Shares and Class X Shares at a rate of 0.01% per annum of their Net Asset Value, payable quarterly on the basis of the value of the net assets of the respective Classes at the end of the relevant calendar quarter. No stamp duty or other tax is payable in Luxembourg on the issue of Shares.

The benefit of the reduced 0.01% tax rate is available to Class I Shares, Class J Shares, Class T Shares and Class X Shares on the basis of Luxembourg legal, regulatory and tax provisions as known to the Company at the date of this Prospectus and at the time of admission of subsequent investors. However, such assessment is subject to interpretations on the status of an Institutional Investor by any competent authorities as will exist from time to time. Any reclassification made by an authority as to the status of an investor may submit all of Class I, Class J, Class T or Class X Shares (as applicable) to a tax of 0.05%. The benefit of the 0.01% tax rate may also be extended to money market funds or short duration bond funds, though currently the Company does not offer any Funds which meet these requirements.

Under Luxembourg tax law in force at the time of this Prospectus, shareholders are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg (except for those domiciled, resident or having a permanent establishment in Luxembourg). Non-resident shareholders are not subject to tax in Luxembourg on any capital gain realized from January 1, 2011, upon disposal of Shares held in the Company.

United Kingdom
The Company is not resident in the UK for tax purposes and it is the intention of the Directors to continue to conduct the affairs of the Company so that it does not become resident in the UK. Accordingly it should not be subject to UK taxation (except in respect of income for which every investor is inherently subject to UK tax). Any gain realised by a UK resident shareholder on a disposal of Shares in the Company that have not obtained UK Reporting Fund status would be expected to be an "offshore income gain" subject to tax at the rates applicable to income. UK residents are likely to be subject to income tax on any dividends declared in respect of such Shares in the Company, even if they elect for such dividends to be reinvested.

Dividends from offshore funds received by investors subject to UK income tax will generally qualify for a non repayable dividend tax credit of 10% provided that the fund does not at any time during the distribution period hold more than 60% of its assets in interest-bearing (or economically similar) form. Basic rate taxpayers will have no further tax liability. Higher-rate and additional higher rate taxpayers will be charged an effective rate of tax of 25% and 30.6% respectively.

If the Fund holds more than 60% of its assets in interest-bearing (or economically similar) form, any distribution received by UK investors who are subject to income tax will be treated as a payment of yearly interest and will not qualify for a dividend tax credit. The tax rates applying will be those applying to interest (section 378A ITTOIA 2005).

The attention of individuals ordinarily resident in the UK is drawn to sections 714 and 751 of the Income Tax Act 2007 which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad and may render them liable to taxation in respect of undistributed income and profits of the Company.

The provisions of section 13 TCGA 1992 may apply to a holding in the Company. Where at least 50% of the Shares are held by five or fewer participators, then any UK person who (together with connected parties) holds more than 10% of the Shares may be taxed upon his proportion of the chargeable gain realised by the Company as calculated for UK tax purposes.

Unless the shares held have UK Reporting Fund status, on the death of a UK resident and domiciled individual shareholder, the shareholder's estate may be liable to pay income tax on any accrued gain. Inheritance tax may be due on the value of the holding after deduction of income tax and subject to any available inheritance tax exemptions.

A UK corporate shareholder may be subject to UK taxation in relation to its holdings in the Company. It may be required to apply fair value accounting in respect of its shareholding in accordance with the provisions of Chapter 3 Part 6 Corporation Tax Act 2009 and any increases or decreases in the value of the Shares may be taken into account as receipts or deductions for corporation tax purposes.

Corporate Shareholders resident in the UK for taxation purposes should note that the "controlled foreign companies" legislation contained in Part 9A of TIOPA 2010 could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and meets certain other criteria (broadly that it is resident in a low tax jurisdiction). "Control" is defined in Chapter 18, Part 9A of TIOPA 2010. A non-UK resident company is controlled by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the non-UK resident company, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The effect of these provisions could be to render such Shareholders liable to UK corporation tax in respect of the income of the Fund.

It is the intention of the Company that assets held by the Funds will generally be held for investment purposes and not for the purposes of trading. Even if Her Majesty's Revenue & Customs ("HMRC") successfully argued that a Fund is trading for UK tax purposes, it is expected that the conditions of the Investment Management Exemption ("IME") should be met, although no guarantee is given in this respect. Assuming that the requirements of the IME are satisfied, the Fund should not be subject to UK tax in respect of the profits / gains earned on its investments (except in respect of income for which every investor is inherently subject to UK tax). This is on the basis that the investments held by the Funds meet the definition of a "specified transaction" as defined in The Investment Manager (Specified Transactions) Regulations 2009. It is expected that the assets held by the Company should meet the definition of a "specified transaction", although no guarantee is given in this respect.

If the Company failed to satisfy the conditions of the IME or if any investments held are not considered to be a "specified transaction", this may lead to tax leakage within the Funds.

In addition to the above, if HMRC successfully argue that a Fund is trading for UK tax purposes, the returns earned by the Fund from its interest in the underlying assets may need to be included in the Fund's calculation of "income" for the purposes of computing the relevant amount to report to investors in order to meet the requirements for UK Reporting Fund status. However, it is considered that the investments held by the Funds should meet the definition of an "investment transaction" as defined by The Offshore Funds (Tax) Regulations 2009 ("the regulations") which came into force on 1 December 2009. Therefore, it is considered that these investments should be considered as "non-trading transactions" as outlined in the regulations. This assumption is on the basis that the Company meets both the "equivalence condition" and the "genuine diversity of ownership" condition as outlined in the regulations. On the basis that the Company is a UCITS fund, the first condition should be met. Shares in each of the Funds shall be widely available. The intended categories of investors for the Funds are retail and Institutional Investors. Shares in the Funds shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors. On this basis the second condition should also be met.

UK Reporting Funds
In November 2009, the UK Government enacted Statutory Instrument 2009 / 3001 (The Offshore Funds (Tax) Regulations 2009) which provides for a framework for the taxation of investments in offshore funds which operates by reference to whether a fund opts into a reporting regime ("UK Reporting Funds") or not ("Non-UK Reporting Funds"). Under the UK Reporting Funds regime, investors in UK Reporting Funds are subject to income tax on the share of the UK Reporting Fund's income attributable to their holding in the Fund, whether or not distributed, but any gains on disposal of their holding are subject to capital gains tax.

The UK Reporting Funds regime applies to the Company with effect from the accounting period commencing 1 June 2010.

A list of the Funds which currently have UK Reporting Fund status is available at www.blackrock.co.uk/reportingfundstatus.

Provided reporting fund status is obtained, shareholders who are UK taxpayers (i.e. resident or ordinarily resident in the UK for tax purposes) will (unless regarded as trading in securities) have any gain realised upon disposal or conversion of the Company's Share treated as a capital gain which will be subject to UK capital gains tax. Otherwise any such gain would be treated as an offshore income gain subject to income tax. In the case of individuals domiciled for UK tax purposes outside the UK, the tax implications in relation to any gain on disposal will depend on whether or not the individual is subject to the remittance basis of taxation. Please note that the changes made in Finance Bill 2008 relating to the UK taxation of non-domiciled UK resident individuals are complex and therefore investors subject to the remittance basis of taxation should seek their own professional advice.

In accordance with Regulation 90 of the Offshore Funds (Tax) Regulations 2009, shareholder reports are made available within six months of the end of the reporting period at www.blackrock.co.uk/reportingfundstatus. The intention of the Offshore Fund Reporting regulations is that reportable income data shall principally be made available on a website accessible to UK investors. Alternatively, the shareholder may if they so require, request a hard copy of the reporting fund data for any given year. Such requests must be made in writing to the following address:

Head of Product Tax, BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London, EC2N 2DL.

Each such request must be received within three months of the end of the reporting period. Unless the Management Company is notified to the contrary in the manner described above, it is understood that investors do not require their report to be made available other than by accessing the appropriate website.

FATCA and other cross-border reporting systems
The US-Luxembourg Agreement to Improve International Tax Compliance and to Implement FATCA (the "US-Luxembourg IGA") was entered into with the intention of enabling the Luxembourg implementation of the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act ("FATCA"), which impose a new reporting regime and potentially a 30% withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets to certain categories of recipient including a non-US financial institution (a "foreign financial institution" or "FFI") that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions ("reporting financial institutions") are required to provide certain information about their US accountholders to the Administration des contributions directes (the "ACD") (which information will in turn be provided to the US tax authority) pursuant to the US-Luxembourg IGA (which is expected to be implemented by Luxembourg regulations in due course). It is expected that the Company will constitute a reporting financial institution for these purposes. Accordingly, the Company will be required to provide certain information about its direct and, in certain circumstances, its indirect US shareholders to the ACD (which information will in turn be provided to the US tax authorities) and will also be required to register with the US Internal Revenue Service. It is the intention of the Company and the Management Company to procure that the Company is treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the US-Luxembourg IGA. No assurance can, however, be provided that the Company will be able to comply with FATCA and, in the event that it is not able to do so, a 30% withholding tax may be imposed on payments it receives from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to it to make payments to its shareholders.

A number of other jurisdictions have also announced that they propose to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD). If implemented into Luxembourg law, this would also require the Company to provide certain information to the ACD about its direct and, in certain circumstances, its indirect shareholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).

In light of the above, shareholders in the Company will be required to provide certain information to the Company to comply with the terms of the reporting systems. Please note that the Directors have determined that US Persons are not permitted to own units in the Funds, see paragraph 4 of Appendix A below.

Generally
Dividends and interest received by the Company on its investments may be subject to withholding taxes in the countries of origin which are generally irrecoverable as the Company itself is exempt from income tax. Recent European Union case law may, however, reduce the amount of such irrecoverable tax.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, redeeming, converting or selling Shares under the laws of their country of citizenship, residence or domicile. Investors should note that the levels and bases of, and reliefs from, taxation can change.

Under current Luxembourg tax law and subject to the application of the laws dated 21 June 2005 (the "Laws") implementing Council Directive 2003/48/EC on the taxation of savings income (the "EUSD"), there is no withholding tax on payments made by the Company or its paying agent to the shareholders.

Under the Laws, a Luxembourg-based paying agent (within the meaning of the EUSD) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State of the European Union ("EU") or an entity in the sense of Article 4.2. of the EUSD ("Residual Entities"), established in another Member State of the EU, unless the beneficiary of the interest payments elects for an exchange of information or for the tax certificate procedure. The same regime applies to payments to individuals or Residual Entities resident in any of the following EU dependent or associated territories: Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands.

The withholding tax rate is 35% as from 1 July 2011.
The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Interest as defined by the Laws and the EUSD encompasses income realised upon the sale, refund, redemption of Shares held in certain Funds of the Company if, under its investment policy or, in the absence of a clear investment policy, under the real composition of the Funds' investment portfolio, said Funds invest, directly or indirectly, more than 25% of their assets in debt claims, as well as any income distributed by said Funds where the investment in debt claims of such Funds exceeds 15% of their assets. Subject to the 15% and/or 25% thresholds being reached, a withholding tax could thus apply when a Luxembourg-based paying agent makes payments available on account of a dividend distribution (a reinvested dividend is considered dividend distribution) and/or a redemption or refund of Shares (including redemption in kind) to the immediate benefit of a shareholder who is an individual or a Residual Entity residing in another EU Member State or in certain EU dependent or associated territories.

Investors should note that the European Commission made proposals to amend the EUSD. If implemented, the proposed amendments would, inter alia, extend the scope of the EUSD to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

Meetings and Reports

Meetings

The annual general meeting of shareholders of the Company is held in Luxembourg at 11 a.m. (Luxembourg time) on 20 November each year (or if such day is not a Business Day in Luxembourg, on the next following Business Day in Luxembourg). Other general meetings of shareholders will be held at such times and places as are indicated in the notices of such meetings. Notices are sent to registered shareholders and (when legally required) published in such newspapers as decided by the Board of Directors and in the Recueil des Sociétés et Associations du Mémorial in Luxembourg.

Reports

Financial periods of the Company end on 31 May each year. The annual report containing the audited financial accounts of the Company and of each of the Funds in respect of the preceding financial period is available within four months of the relevant year-end. An unaudited interim report is available within two months of the end of the relevant half-year. Copies of all reports are available upon request at the registered office of the Company and from the local Investor Servicing teams. Registered shareholders will be sent a personal statement of account twice-yearly.

Appendix A – Summary of Certain Provisions of the Articles and of Company Practice

The below is a summary of the Articles. However, such summary does not purport to be complete. It is subject to and qualified in its entirety by reference to the contents of such Articles, the application forms and other documents and, accordingly, it should be reviewed for complete information concerning the rights, privileges and obligations of investors in the Company. In the event that the description in or terms of this Prospectus are inconsistent with or contrary to the description in or terms of the Articles or the application forms, the Articles shall prevail and investors will be taken as having full knowledge of the Articles in applying for Shares.

Articles of Association

1. Terms used in this summary that are defined in the Articles have the same meaning below.

(a) **Corporate Existence**
The Company is a company existing in the form of a société anonyme qualifying as a société d'investissement à capital variable (SICAV) under the name of BlackRock Strategic Funds with the status of a Part I Undertaking for Collective Investment in Transferable Securities (UCITS).

(b) **Sole Object**
The sole object of the Company is to place the funds available to it in one or more portfolios of transferable securities or other assets referred to in Article 41(1) of the 2010 Law, referred to as "Funds", with the purpose of spreading investment risks and affording to its shareholders the results of the management of the Company's Funds.

(c) **Capital**
The capital is represented by fully paid Shares of no par value and will at any time be equal to the aggregate value of the net assets of the Funds of the Company. Any variation of the Company's capital has immediate effect.

(d) **Fractions**
Fractions of Shares may be issued only as registered shares.

(e) **Voting**
In addition to the right to one vote for each whole Share of which he is the holder at general meetings, a holder of Shares of any particular Class will be entitled at any separate meeting of the holders of Shares of that Class to one vote for each whole Share of that Class of which he is the holder.

(f) **Joint Holders**
The Company will register registered shares jointly in the names of not more than four holders should they so require. In such case the rights attaching to such a Share must be exercised jointly by all those parties in whose names it is registered except that verbal instructions will be accepted by the Company from any one joint holder in cases where verbal instructions are permitted pursuant to provisions of this Prospectus. Written instructions will be accepted by the Company from any one joint holder where all the holders have previously given written authority to the Transfer Agent or the local Investor Servicing team to accept those instructions. Instructions accepted on either of such bases will be binding on all the joint holders concerned.

(g) **Allotment of Shares**
The Directors are authorised without limitation to allot and issue Shares at any time at the current price per Share without reserving preferential subscription rights to existing shareholders.

(h) **Directors**
The Articles provide for the Company to be managed by a board of Directors composed of at least three persons. Directors are elected by the shareholders. The Directors are vested with all powers to perform all acts of administration and disposition in the Company's interest. In particular the Directors have power to appoint any person to act as a functionary to the Fund.

No contract or other transaction between the Company and any other company or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Company are interested in, or are directors, associates, officers or employees of, that other company or firm.

(i) **Indemnity**
The Company may indemnify any Director or officer against expenses reasonably incurred by him in connection with any proceedings to which he may be made a party by reason of such position in the Company or in any other company of which the Company is a shareholder or creditor and from which he is not entitled to be indemnified, except where due to gross negligence or wilful misconduct on his part.

(j) **Winding up and Liquidation**
The Company may be wound up at any time by a resolution adopted by a general meeting of shareholders in accordance with the provisions of the Articles. The Directors must submit the question of the winding up of the Company to a general meeting of shareholders if the corporate capital falls below two-thirds of the minimum capital prescribed by law (the minimum capital is currently the equivalent of EUR1,250,000).

On a winding up, assets available for distribution amongst the shareholders will be applied in the following priority:

(i) first, in the payment of any balance then remaining in the relevant Fund to the holders of Shares of each Class linked to the Fund, such payment being made in accordance with any applicable rights attaching to those Shares, and otherwise in proportion to the total number of Shares of all the relevant Classes held; and

(ii) secondly, in the payment to the holders of Shares of any balance then remaining and not comprised in any of the Funds, such balance being apportioned as between the Funds pro rata to the Net Asset Value of each Fund immediately prior to any distribution to shareholders on a winding up, and payment being made of the amounts so apportioned to the holders of Shares of each Class linked to that Fund in such proportions as the liquidators in their absolute discretion think equitable, subject to the Articles and Luxembourg law.

Liquidation proceeds not claimed by shareholders at close of liquidation of a Fund will be deposited at the Caisse de Consignation in Luxembourg and shall be forfeited after thirty years.

(k) **Unclaimed Dividends**
If a dividend has been declared but not paid, and no claim has been made for such dividend within a period of five years, the Company is entitled under Luxembourg law to

declare the dividend forfeited for the benefit of the Fund concerned. The Directors have, however, resolved as a matter of policy not to exercise this right for at least twelve years after the relevant dividend is declared. This policy will not be altered without the sanction of the shareholders at a general meeting.

Company Practice

Restrictions on Holding of Shares

2. Shares will be divided into Share Classes each linked to a Fund. More than one Share Class may be linked to a Fund, although, not all Share Classes are linked to each Fund. There are twenty Share Classes altogether. Those Share Classes are: (Class A Distributing, Class A Non-Distributing, Class C Distributing, Class C Non-Distributing, Class D Distributing, Class D Non-Distributing, Class E Distributing, Class E Non-Distributing, Class H Distributing, Class H Non-Distributing, Class I Distributing, Class I Non-Distributing, Class J Distributing, Class J Non-Distributing, Class T Non-Distributing, Class U Distributing, Class U Non-Distributing, Class X Non-Distributing, Class X Distributing Shares and Class Z Non-Distributing). They have no preferential or pre-emption rights and are freely transferable, save as referred to below. Non-Distributing Shares are referred to using the number 2. Distributing Shares are referred to using the numbers 1 (distributing daily), 3 (distributing monthly), 4 (distributing annually), 5 (distributing quarterly) and 6 (distributing monthly on the basis of expected gross income). See the section entitled "Share Classes and Form of Shares" for further details.

3. The Directors may impose or relax restrictions (including restrictions on transfer and/or the requirement that Shares be issued only in registered form) on any Shares or Share Class (but not necessarily on all Shares within the same Class) as they may think necessary to ensure that Shares are neither acquired nor held by or on behalf of any person in circumstances giving rise to a breach of the laws or requirements of any country or governmental or regulatory authority on the part of that person or the Company, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Directors may in this connection require a shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the Shares that he holds. In addition to the foregoing, the Directors may determine to restrict the issue of shares when it is in the interests of the Fund and/or its shareholders to do so, including when the Company or any Fund reaches a size that could impact the ability to find suitable investments for the Company or Fund. The Directors may remove such restriction at their discretion.

   If the Company becomes aware that any Shares are owned directly or beneficially by any person in breach of any law or requirement of a country or governmental or regulatory authority, or otherwise in the circumstances referred to in this paragraph, the Directors may require the redemption of such Shares, decline to issue any Share and register any transfer of any Share or decline to accept the vote of any person who is precluded from holding Shares at any meeting of the shareholders of the Company.

4. The Directors have resolved that no US Persons will be permitted to own Shares. The Directors have resolved that "US Person" means any US resident or other person specified in Regulation S under the US Securities Act of 1933 as amended from time to time and as may be further supplemented by resolution of the Directors.

   If a shareholder currently resident outside the United States becomes resident in the United States (and consequently comes within the definition of a US Person), that shareholder will be required to redeem its Shares. All US residents and citizens should note the requirements of the Foreign Account Tax Compliance Act ("FATCA"), please see "Taxation" section above.

Funds and Share Classes

5. The Company operates separate investment "Funds" and within each Fund separate Share Classes are linked to that Fund. Pursuant to Article 181 of the 2010 Law, each Fund is only liable for the liabilities attributable to it.

6. Shares may be issued with or have attached thereto such preferred, deferred or other special rights, or such restrictions whether in regard to dividend, return of capital, conversion, transfer, the price payable on allotment or otherwise as the Directors may from time to time determine and such rights or restrictions need not be attached to all Shares of the same Share Class.

7. The Directors are permitted to create more than one Share Class linked to a single Fund. This allows, for example, the creation of accumulation and distribution Share Classes, Share Classes with different dealing currencies or Share Classes with different features as regards participation in capital and/or income linked to the same Fund; and also permits different charging structures. The Directors are also permitted, at any time, to close a particular Share Class, or, subject to at least 30 days' prior notice to the shareholders of the relevant Share Class, to decide to merge such Share Class with another Share Class of the same Fund. The Articles provide that certain variations of the rights attached to a Share Class may only be made with the sanction of a Share Class meeting of holders of Shares of that Share Class.

8. The Directors may require redemption of all the Shares linked to a particular Fund if the Net Asset Value of the relevant Fund falls below USD50 million (or the equivalent in any relevant Dealing Currency). The Articles also permit the Directors to notify shareholders of the closure of any particular Fund where they deem it in the interests of the shareholders or appropriate because of changes in the economic or political situation affecting the Fund but in such circumstances the Directors intend as a matter of policy to offer holders of any Share Class a free transfer into the same Share Class of other Funds. A Fund may be terminated in circumstances other than those mentioned above with the consent of a majority of the Shares present or represented at a meeting of all shareholders of the Share Classes of that Fund (at which no quorum requirement will apply). Where a Fund is terminated the redemption price payable on termination will be calculated on a basis reflecting the realisation and liquidation costs on terminating the Fund.

   The Directors may, in accordance with the provisions of the 2010 Law, arrange to merge a Fund, either as an absorbing or as an absorbed Fund, with another Fund of the Company or with another UCITS (or sub-fund thereof) (whether established in Luxembourg or another Member State and whether incorporated as a company or as a contractual type fund). The Company shall send a notice to the shareholders of the relevant Funds in accordance with the provisions of CSSF Regulation 10-5 as such regulation may be amended or replaced from time to time. Every shareholder of the relevant Funds shall have the opportunity of requesting the redemption or the conversion of his own Shares without any cost (other than the cost of disinvestment) during a period of at least 30 days before the effective date of the merger, it being understood that the effective date of the merger takes place within five business days after the expiry of such notice period.

Where a merger will result in the Company as a whole ceasing to exist, this must be decided by the shareholders of the Company before a notary. No quorum is required and the decision shall be taken at a simple majority of the shareholders present or represented and voting.

The Directors have power to suspend dealings in the Shares linked to any Fund where it is to be merged (if justified with a view to protecting the interest of shareholders) or terminated in accordance with the above provisions. Such suspension may take effect at any time after the notice has been given by the Directors as mentioned above or, where the termination or merger requires the approval of a meeting of holders, after the passing of the relevant resolution. Where dealings in the Shares of the Fund are not suspended, the prices of Shares may be adjusted to reflect the anticipated realisation and liquidation costs or transaction costs mentioned above.

Valuation Arrangements

9. Under the Articles, for the purpose of determining the issue and redemption price per Share, the Net Asset Value of Shares shall be determined as to the Shares of each Share Class by the Company from time to time, but in no instance less than twice monthly, as the Directors may direct.

10. The Directors' policy is normally to deal with requests received before 12 noon Luxembourg time on a Dealing Day on that day; other requests are normally dealt with on the next Dealing Day. Forward dated requests will not be accepted and will be rejected or processed on the next Dealing Day at the discretion of the Directors.

Net Asset Value and Price Determination

11. All prices for transactions in Shares on a Dealing Day are based on the Net Asset Value per Share of the Share Class concerned, as shown by a valuation made at a time or times determined by the Directors. The Directors currently operate "forward pricing" for all Funds and Share Classes, i.e., prices are calculated after the closing time for acceptance of orders (see Section "Dealing in Fund Shares"). Prices in respect of a Dealing Day are normally published on the next Business Day for daily and weekly dealing funds and on the second Business Day for fortnightly dealing funds. Prices of the BlackRock Euro Dynamic Diversified Growth Fund will normally be published on the second Business Day. Neither the Company nor the Custodian nor the Fund Accountant can accept any responsibility for any error in publication, or for non-publication of prices or for any inaccuracy of prices so published or quoted. Notwithstanding any price quoted by the Company, by the Custodian, by the Fund Accountant or by any distributor, all transactions are effected strictly on the basis of the prices calculated as described above. If for any reason such prices are required to be recalculated or amended, the terms of any transaction effected on the basis of them will be subject to correction and, where appropriate, the shareholder may be required to make good any underpayment or reimburse any overpayment as appropriate. Periodic valuations of holdings in any Fund or Share Class may be supplied by arrangement with the local Investor Servicing teams.

12. The Net Asset Value of each Fund, calculated in its Base Currency, is determined by aggregating the value of securities and other assets of the Company allocated to the relevant Fund and deducting the liabilities of the Company allocated to that Fund. The Net Asset Value per Share of the Share Classes of a particular Fund will reflect any adjustment to the Net Asset Value of the relevant Fund described in paragraph 16(c) below and will differ as a result of the allocation of different liabilities to those Share Classes (see Section "Fees, Charges and Expenses") and as a result of dividends paid.

13. The value of all securities and other assets forming any particular Fund's portfolio is determined by last known prices upon close of the exchange on which those securities or assets are traded or admitted for trading. For securities traded on markets closing after the time of the valuation, last known prices as of this time or such other time may be used. If net transactions in Shares of the Fund on any Dealing Day exceed the threshold referred to in paragraph 16(c) below, then additional procedures apply. The value of any securities or assets traded on any other regulated market is determined in the same way. Where such securities or other assets are quoted or dealt in on or by more than one stock exchange or regulated market the Directors may in their discretion select one of such stock exchanges or regulated markets for such purposes.

14. If a security is not traded on or admitted to any official stock exchange or any regulated market, or in the case of securities so traded or admitted the last known price is not considered to reflect their true value, the Directors will value the securities concerned with prudence and in good faith on the basis of their expected disposal or acquisition price. Cash, bills payable on demand and other debts and prepaid expenses are valued at their nominal amount, unless it appears unlikely that such nominal amount is obtainable.

15. If in any case a particular value is not ascertainable by the methods outlined above, or if the Directors consider that some other method of valuation more accurately reflects the fair value of the relevant security or other asset for the purpose concerned, the method of valuation of the security or asset will be such as the Directors in their absolute discretion decide. Discrepancies in value of securities may result, for example, where the underlying markets are closed for business at the time of calculating the Net Asset Value of certain Funds or where governments chose to impose fiscal or transaction charges on foreign investment. The Directors may set specific thresholds that, where exceeded, result in adjustment to the value of these securities to their fair value by applying a specific index adjustment.

16. (a) Under current procedures adopted by the Directors the price for all Share Classes of any Fund is the Net Asset Value per relevant Share Class of that Fund calculated to the nearest currency unit of the relevant Dealing Currency.

(b) For those funds with more than one Dealing Currency, the additional Dealing Currency prices are calculated by converting the price at the relevant spot exchange rate at the time of valuation.

(c) 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 due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets. 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 value of the aggregate transactions in Shares of all Share Classes of that Fund results in a net increase or decrease which exceeds a threshold 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 bond 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 anticipated 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. Where a Fund invests substantially in government bonds or money market securities, 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.

Conversion

17. The Articles allow the Directors on issuing new Share Classes to impose such rights of conversion as they determine, as described in paragraph 6 above. The basis of all conversions is related to the respective Net Asset Values per Share of the relevant Share Class of the two Funds concerned.

18. The Directors have determined that the number of Shares of the Share Class into which a shareholder wishes to convert his existing Shares will be calculated by dividing (a) the value of the number of Shares to be converted, calculated by reference to the Net Asset Value per Share by (b) the Net Asset Value per Share of the new Share Class. This calculation will be adjusted where appropriate by the inclusion of a conversion charge (see Section "Fees Charges and Expenses") or a delayed initial charge on Class A, Class D, Class E, Class T or Class U Shares (see Section "Fees Charges and Expenses"). No conversion charge will be made when a delayed initial charge is payable. If applicable, the relevant exchange rate between the relevant Dealing Currencies of the Shares of the two Funds will be applied to the calculation.

    The Net Asset Value(s) per Share used in this calculation may reflect any adjustment(s) to the Net Asset Value(s) of the relevant Fund(s) described in paragraph 16(c) above.

19. Conversions are permitted between different Share Classes of the same Fund or of different Funds, subject to the limitations set out under the Section "Switching Between Funds and Share Classes" and provided shareholders and/or the holding (as appropriate) meet the specific eligibility criteria for each Share Class set out above (see "Share Classes and Form of Shares").

    Selected distributors may impose a charge on each conversion of those Shares acquired through it, which will be deducted at the time of conversion and paid to the relevant distributor. While other conversions between the same Share Class of two Funds are normally free of charge, the Management Company may, at its discretion (and without prior notice), make an additional conversion charge which would increase the amount paid to up to 2% if excessively frequent conversions are made. Any such charges will be deducted at the time of conversion and paid to the relevant distributor or the Principal Distributor (as applicable).

    The Directors reserve the right to waive or vary these requirements and also to amend their policy if they consider it appropriate to do so, either generally or in particular circumstances.

Settlement on Redemptions

20. The Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding eight Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control requirements or similar constraints in the markets in which a substantial part of the assets of the Company are invested or in exceptional circumstances where the liquidity of the Company is not sufficient to meet the redemption requests.

    In addition, the redemption price may be payable in specie as explained in paragraph 22 below.

    Failure to meet money laundering prevention requirements may result in the withholding of redemption proceeds.

In Specie Applications and Redemptions

21. The Management Company may accept subscriptions in specie, or partly in cash and in specie, subject always to the minimum initial subscription amounts and the additional subscription amounts and provided further that the value of such subscription in specie (after deduction of any relevant charges and expenses) equals the subscription price of the Shares. Such securities will be valued on the relevant Dealing Day and, in accordance with Luxembourg law, are subject to a special report of the auditor.

22. The Management Company may, subject to the prior consent of a shareholder and to the minimum dealing and holding amounts, effect a payment of redemption proceeds in specie by allocating to the shareholder investments from the portfolio of the relevant Fund equal in value (calculated in the manner referred to in paragraphs 13 and 14 above) to the price of the relevant Shares to be redeemed (net of any applicable CDSC in the case of Class C Shares and other Share Classes where applicable and where stated in Appendix F). The nature and type of asset to be transferred in such case will be determined on an equitable basis and without prejudicing the interests of the other holders of Shares of the same Share Class, and will be valued on the relevant Dealing Day. In accordance with Luxembourg law, such redemption is subject to a special report of the auditor. In specie applications and redemptions may attract transaction taxes depending on the assets in question. In the case of an in specie redemption these taxes will be at the charge of the investor. Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of redeeming their Shareholding in this way, under the laws of their country of citizenship, residence or domicile. Investors should note that the levels and bases of, and relief from, taxation can change.

    In specie applications and redemptions may not always be possible, practicable or cost efficient and may have an adverse impact on existing shareholders. The Management Company has sole discretion to refuse requests for in specie applications and redemptions.

Dealings in Shares by the Principal Distributor

23. The Principal Distributor, may as principal acquire and hold Shares and may at its sole discretion satisfy, in whole or in part, an application or request for the issue, redemption or conversion of such Shares by selling Shares to and/or buying them from the applicant, as appropriate, provided that the applicant consents to such transaction. Shareholders will be deemed to have consented to deal with the Principal Distributor unless they have expressly informed the Transfer Agent or the local Investor Servicing teams to the contrary. Any such transaction will be effected on the same terms as to price and settlement as would

have applied in the case of a corresponding issue, redemption or conversion of Shares (as relevant) by the Company. The Principal Distributor is entitled to retain any benefit arising from these transactions.

Default in Settlement

24. Where an applicant for Shares fails to pay settlement monies on subscription or to provide a completed application form for an initial application by the due date, the Directors may, in accordance with the Company's Articles, cancel the allotment or, if applicable, redeem the Shares. Redemption or conversion instructions may be refused or treated as though they have been withdrawn if payment for the Shares has not been made or a completed initial application form has not been received by the Company. In addition, no dealings will be effected following a conversion instruction and no proceeds will be paid on a redemption until all documents required in relation to the transaction have been provided to the Company. **An applicant may be required to indemnify the Company or, as described below, the Principal Distributor against any losses, costs or expenses incurred directly or indirectly as a result of the applicant's failure to pay for Shares applied for or to lodge the required documents by the due date.**

    In computing any losses covered under this paragraph 24, account shall be taken, where appropriate, of any movement in the price of the Shares concerned between the transaction date and cancellation of the transaction or redemption of the Shares, and of the costs incurred by the Company or, if applicable, the Principal Distributor in taking proceedings against the applicant.

    The Principal Distributor has agreed to exercise its discretion to take steps to avoid the Company suffering losses as a result of late settlement by any applicant. In cases where payment for Shares is not made on a timely basis, the Principal Distributor may assume ownership of the Shares and it shall also have the right to give instructions to the Company to make any consequent alterations in its register of shareholders, delay the completion of the relevant transaction, redeem the Shares in question, claim indemnification from the applicant and/or take proceedings to enforce any applicable indemnity, all to the same extent that the Company itself may do so.

    The Company has instructed the Custodian that any interest benefit that may arise as a result of the early settlement of Share subscriptions and late clearance of redemption proceeds may be set off against any interest obligation that the Principal Distributor may incur as a result of its arrangements to protect the Company from losses from the late settlement of Share subscriptions. The Principal Distributor will benefit from interest earned on any balances held in client money accounts. No interest is paid to shareholders by the Principal Distributor in respect of amounts relating to individual transactions.

Compulsory Redemption

25. If at any time the Net Asset Value of the Company is less than USD100 million (or equivalent), all Shares not previously redeemed may be redeemed by notice to all shareholders. There is a similar power to redeem Shares of any Share Class if the Net Asset Value of the Fund to which that Share Class is linked falls below USD50 million (or equivalent), or in the circumstances described in paragraphs 3, 4 and 8 above.

Limits on Redemption and Conversion

26. The Company will not be bound to redeem or convert on any one Dealing Day more than 10% of the value of Shares of all Share Classes of a Fund then in issue or deemed to be in issue, as described in paragraph 29 below.

Suspension and Deferrals

27. Valuations (and consequently issues, redemptions and conversions) of any Fund may be suspended in certain circumstances including:

    - during the closure (otherwise than for ordinary holidays) of or suspension or restriction of trading on any stock exchange or market on which are quoted a substantial proportion of the investments held in that Fund;
    - during the existence of any state of affairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Company attributable to such Fund would be impracticable;
    - during any breakdown in the means of communication normally employed in determining the price or value of any of the investments of such Fund or the current price or values on any stock exchange or other market;
    - during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of shares cannot in the opinion of the directors be effected at normal rates of exchange;
    - during any period when the Net Asset Value per Share of any Fund of the Company may not be accurately determined;
    - where notice has been given or a resolution passed for the closure of a Fund as explained in paragraph 8;
    - in respect of a suspension of the issuing of Shares only, any period when notice of winding up of the Company as a whole has been given; and
    - where a Fund (the "feeder Fund") has determined, pursuant to Chapter 9 of the 2010 Law, to invest at least 85% of its net assets in units or shares of another UCITS (or a sub-fund thereof) (the "master Fund"), valuations of the feeder Fund may be suspended if the net asset value calculation of the master Fund is suspended.

28. Each period of suspension shall be published, if appropriate, by the Company. Notice will also be given to any shareholder lodging a request for redemption or conversion of Shares.

29. The Company will also not be bound to accept instructions to subscribe for, and will be entitled to defer instructions to redeem or convert any Shares of a Fund on any one Dealing Day if there are redemption or outgoing conversion orders that day for all Share Classes of that Fund with an aggregate value exceeding a particular level (currently fixed at 10%) of the approximate value of that Fund. In addition, the Company may defer redemptions and conversions in exceptional circumstances that may, in the opinion of the Directors, adversely affect the interests of holders of any Share Classes of that Fund. In either case, the Directors may declare at their discretion that redemptions and conversions will be deferred until the Company has executed, as soon as possible, the necessary realisation of assets out of the Fund concerned or until the exceptional circumstances cease to apply. Redemptions and conversions so deferred will be done on a pro rata basis and will be dealt with in priority to later requests.

30. During a period of suspension or deferral a shareholder may withdraw his request, in respect of any transaction which is deferred or suspended, by notice in writing to the Company. Such notice will only be effective if received before the transaction is effected.

    Shareholders may not redeem a holding of the Company's Shares unless and until cleared funds have been received by the Company in respect of that holding.

Transfers

31. The transfer of registered Shares may normally be effected by delivery to the Transfer Agent of an instrument of transfer in appropriate form. If a transfer or transmission of Shares results in a holding on the part of the transferor or the transferee having a value of less than a prescribed minimum the Directors may require the holding to be redeemed. The current minimum holding is USD5,000 or equivalent except for Class H Shares where the minimum is USD50,000 or equivalent, and for Class D Shares, Class I Shares, Class J Shares, Class T Shares, Class U Shares, Class X Shares and Class Z Shares where there is no required minimum holding once the initial subscription amount has been made.

Probate

32. Upon the death of a shareholder, the Directors reserve the right to require the provision of appropriate legal documentation to evidence the rights of the shareholder's legal successor. Upon the death of a shareholder whose investment is held jointly with another shareholder, where permitted by applicable law, ownership of the investment will be transferred to the name of the surviving shareholder.

Dividends

33. The Articles impose no restriction on dividends other than the requirement to maintain the statutory minimum level of capital (currently the equivalent of EUR1,250,000). The Directors have the power to pay interim dividends in respect of any Fund. The current dividend policy of the Directors is explained in the Section "Dividends".

Changes of Policy or Practice

34. Except as otherwise provided in the Articles, and subject to any legal or regulatory requirements, the Directors reserve the right to amend any practice or policy stated in this Prospectus. The Management Company may, in the interests of shareholders and subject to the discretion of the Directors, vary or waive the operational procedures of the Company.

Intermediary Arrangements

35. Where Shares are issued by the Company to financial institutions (or their nominees) which act as intermediaries, the benefits and obligations described in this Prospectus may be applied by the Company to each of the intermediary's clients as if such client were a direct shareholder.

Appendix B – Additional Information

History of the Company

1. The Company is registered under Number B. 127481 at the Register of Commerce and Companies of Luxembourg where its Articles of Association are available for inspection and where copies thereof may be obtained upon request (and see also paragraph 24 below).

2. The Company's constitution is defined in the Articles. The original Articles were published in the *Recueil des Sociétés et Associations du Mémorial* (the "Mémorial") of the Grand-Duchy of Luxembourg on 25 May 2007. The Articles have been amended and restated on 24 January 2014 and published with the Mémorial on 2 April 2014.

3. The Company was incorporated on 2 May 2007 under Part I of the law of 20 December 2002 that implemented Directives 2001/107/EC and 2001/108/EC.

4. On 4 May 2007 the Company appointed BlackRock (Luxembourg) S.A. as its management company.

5. Shares are offered solely on the basis of this Prospectus.

Directors' Remuneration and Other Benefits

6. The Articles contain no express provision governing the remuneration (including pension or other benefits) of the Directors. The Directors (who are not employees of the BlackRock Group) receive fees and out-of-pocket expenses which are paid out of the Administration Fee. For Directors who are not employees of the BlackRock Group, the annual fees received by them are from time to time disclosed in the annual report of the Company.

Auditor

7. The Company's auditor is Deloitte S.A. of 560, rue de Neudorf, L-2220 Luxembourg.

Administrative Organisation

8. **The Investment Advisers**
The Management Company is entitled to delegate its investment management functions to any of its subsidiaries or associates and, any other person. The Management Company has delegated some functions to the Investment Advisers, BlackRock Financial Management, Inc., BlackRock Institutional Trust Company N.A., BlackRock Investment Management, LLC, BlackRock Investment Management (UK) Limited and BlackRock (Singapore) Limited as described in the Section "Investment Management of Funds". In the case of certain Funds, BlackRock Investment Management (UK) Limited has in turn sub-delegated some functions to BlackRock Asset Management North Asia Limited at 16/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong, BlackRock Investment Management (Australia) Limited at Level 26, 101 Collins Street, Melbourne 3000, Australia and to BlackRock Japan Co., Ltd. whose registered office is at 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217, Japan.

9. **The Principal Distributor**
The Principal Distributor, incorporated with limited liability in Jersey on 10th August 1972 for an unlimited period, has an issued and fully paid-up share capital of £530,000. The directors of the Principal Distributor are: Mr. G.D. Bamping, Mr E. Bellew, Mr. F.P. Le Feuvre, Mr D. Hellen, Mr. D. McSporran, and Mr. I A.Webster.

The registered office of the Principal Distributor is at One Waverley Place, Union Street, St. Helier, Jersey JE1 0BR, Channel Islands. The Principal Distributor is regulated by the Jersey Financial Services Commission.

10. **Investor Servicing**
The Management Company has entered into an agreement with various BlackRock Group companies for the provision of dealing facilities and related investor support functions.

11. **The Custodian**
The Company has entered into a Custodian Agreement with the Custodian whereby the Custodian has agreed to act as custodian of the assets of the Company and to assume the functions and responsibilities of a custodian under the 2010 Law.

The Custodian and Fund Accountant (see paragraph 12 below) is State Street Bank Luxembourg S.A.. Its office is at 49, avenue J.F. Kennedy, L-1855 Luxembourg. State Street Bank Luxembourg S.A. was incorporated with limited liability in 1990 and has an issued and fully paid up share capital of EUR 65 million. Its registered office is 49, avenue J.F. Kennedy, L-1855 Luxembourg and its ultimate holding company is State Street Corporation which is incorporated in Boston, Massachusetts, United States. The Custodian's and the Fund Accountant's principal business activity is the provision of custodial and investment administration services.

12. **The Fund Accountant**
The Management Company has entered into an agreement with the Fund Accountant whereby the Fund Accountant has agreed to provide fund accounting, Net Asset Value determination and services related to these functions. Subject to Luxembourg law and regulation the Fund Accountant is entitled to delegate specific functions to any other person, firm or company (with the approval of the Management Company and the regulatory authority).

13. **The Transfer Agent**
The Management Company has entered into a Transfer Agency Agreement with the Transfer Agent whereby the Transfer Agent has agreed to provide all necessary transfer agency functions including application and transaction processing, maintaining the share register, and services related to these functions.

14. **Relationship of Custodian and Fund Accountant with BlackRock Group**
The Custodian's and Fund Accountant's associates provide custody and fund accounting services to BlackRock Investment Management (UK) Limited and some of its associates in respect of their investment management business generally.

15. **The Paying Agents**
The Company has appointed the following Paying Agents:

Austria
Raiffeisen Bank International AG
Am Stadtpark 9
1030 Vienna
Austria

Belgium
J.P. Morgan Chase Bank, Brussels Branch
1 Boulevard du Roi Albert II
Brussels
B-1210 Belgium

Luxembourg
(Central Paying Agent)
J.P. Morgan Bank Luxembourg S.A.
6C, route de Trèves
L-2633, Senningerberg
Luxembourg

Italy
Allfunds Bank, S.A.,
Milan branch
Via Santa Margherita 7
20121 Milan
Italy

BNP Paribas Securities Services
Succursale di Milano – Via Ansperto 5
20123 Milan
Italy

Société Générale Securities Services S.p.A.
Via Benigno Crespi 19/A - MAC II
20159 Milan
Italy

Banca Monte dei Paschi di Siena S.p.A.
Piazza Salimbeni 3
53100 Siena
Italy

State Street Bank S.p.A
Via Ferrante Aporti, 10
20125 Milan
Italy

Banca Sella Holding S.p.A
Piazza Gaudenzio Sella 1
13900 Biella (BI)
Italy

Switzerland
JPMorgan Chase Bank, National Association,
Columbus, Zurich Branch
Dreikönigstrasse 21
CH-8002 Zurich,
Switzerland

United Kingdom
J.P. Morgan Trustee and Depositary Company Limited
Hampshire Building, 1st Floor
Chaseside
Bournemouth
BH7 7DA, UK

Conflicts of Interest and Relationships within the BlackRock Group and with the PNC Group

16. The ultimate holding company of the Management Company, the Principal Distributor and the Investment Advisers is BlackRock, Inc., a company incorporated in Delaware, USA. PNC Financial Services Group Inc., is a substantial shareholder in BlackRock, Inc.

17. Subject to any policies established by the Directors, when arranging investment transactions for the Company, the Investment Advisers will seek to obtain the best net results for the Company, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution and operational facilities of the firm involved and the firm's risk in positioning a block of securities. Therefore, whilst the Investment Advisers generally seek reasonably competitive commission rates, the Company does not necessarily pay the lowest commission or spread available. In a number of developing markets, commissions are fixed pursuant to local law or regulation and, therefore, are not subject to negotiation.

18. When arranging transactions in securities for the Company, companies in the PNC Group may provide securities brokerage, foreign exchange, banking and other services, or may act as principal, on their usual terms and may benefit therefrom. Commissions will be paid to brokers and agents in accordance with the relevant market practice and the benefit of any bulk or other commission discounts or cash commissions rebates provided by brokers or agents will be passed on to the Company. The services of the PNC Group companies may be used by the Investment Advisers where it is considered appropriate to do so provided that (a) their commissions and other terms of business are generally comparable with those available from unassociated brokers and agents in the markets concerned, and (b) this is consistent with the above policy of obtaining best net results. Consistent with the above policies, it is anticipated that a proportion of the Company's investment transactions will be executed through the PNC Group broker dealers and that they will be amongst a relatively small group of global firms which may each be assigned a larger proportion of transactions than the proportion assigned to any other firm.

19. Subject to the foregoing, and to any restrictions adopted by the Directors or set forth in the Articles, the Investment Advisers and any other BlackRock Group company or PNC Group company, and any directors of the foregoing, may (a) have an interest in the Company or in any transaction effected with or for it, or a relationship of any description with any other person, which may involve a potential conflict with their respective duties to the Company, and (b) deal with or otherwise use the services of the PNC Group companies in connection with the performance of such duties; and none of them will be liable to account for any profit or remuneration derived from so doing.

    For example, such potential conflicts may arise because the relevant BlackRock Group company or PNC Group company:

    (a) undertakes business for other clients;

    (b) has directors or employees who are directors of, hold or deal in securities of, or are otherwise interested in, any company the securities of which are held by or dealt in on behalf of the Company;

    (c) may benefit from a commission, fee, mark-up or mark-down payable otherwise than by the Company in relation to a transaction in investment;

    (d) may act as agent for the Company in relation to transactions in which it is also acting as agent for the account of other clients of itself;

    (e) may deal in investments and/or currencies as principal with the Company or any of the Company's shareholders;

    (f) transacts in units or shares of a collective investment scheme or any company of which any BlackRock Group company or PNC Group company is the manager, operator, banker, adviser or trustee;

    (g) may effect transactions for the Company involving placings and/or new issues with another of its group companies which may be acting as principal or receiving agent's commission.

20. As described above, securities may be held by, or be an appropriate investment for, the Company as well as by or for other clients of the Investment Advisers or other BlackRock

Group companies. Because of different objectives or other factors, a particular security may be bought for one or more such clients, when other clients are selling the same security. If purchases or sales of securities for the Company or such clients arise for consideration at or about the same time, such transactions will be made, insofar as feasible, for the relevant clients in a manner deemed equitable to all. There may be circumstances when purchases or sales of securities for one or more BlackRock Group clients have an adverse effect on other BlackRock Group clients.

21. Establishing, holding or unwinding opposite positions (i.e., long and short) in the same security at the same time for different BlackRock Group clients may prejudice the interests of clients on one side or the other and may pose a conflict of interest for the BlackRock Group as well, particularly if the BlackRock Group or the relevant portfolio managers involved may earn higher compensation from one activity than from the other. This activity may occur as a result of different portfolio management teams taking different views of a particular security or in the course of implementing risk management strategies, and special policies and procedures are not generally utilized in these situations.

    This activity may also occur within the same portfolio management team as a result of the team having both long only mandates and long-short or short only mandates or in the course of implementing risk management strategies. Where the same portfolio management team has such mandates, shorting a security in some portfolios that is held long in other portfolios or establishing a long position in a security in some portfolios that is held short in other portfolios may be done only in accordance with established policies and procedures designed to ensure the presence of an appropriate fiduciary rationale and to achieve execution of opposing transactions in a manner that does not systematically advantage or disadvantage any particular set of clients. The BlackRock Group's compliance group monitors compliance with these policies and procedures and may require their modification or termination of certain activities to minimise conflicts. Exceptions to these policies and procedures must be approved by the compliance group.

    Among the fiduciary rationales that may justify taking opposite positions in the same security at the same time would be differing views as to the short-term and long-term performance of a security, as a result of which it may be inappropriate for long only accounts to sell the security but may be appropriate for short-term oriented accounts that have a shorting mandate to short the security over the near term. Another rationale may be to seek to neutralize the effect of the performance of a particular segment of one company's business by taking the opposite position in another company whose business is substantially similar to that of the segment in question.

    In certain cases the BlackRock Group's efforts to effectively manage these conflicts may result in a loss of investment opportunity for its clients or may cause it to trade in a manner that is different from how it would trade if these conflicts were not present, which may negatively impact investment performance.

22. With respect to the Funds (or portion of a Fund) for which they provide investment management and advice, companies within the BlackRock Group may select brokers (including, without limitation, brokers who are affiliated with the BlackRock Group or PNC Group) that furnish the BlackRock Group, directly or through third-party or correspondent relationships, with research or execution services which provide, in BlackRock Group's view, lawful and appropriate assistance to each applicable BlackRock Group company in the investment decision-making or trade execution processes and the nature of which is that their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the Company's performance. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; economic and financial information and analysis; and quantitative analytical software. Research or execution services obtained in this manner may be used in servicing not only the account from which commissions were used to pay for the services, but also other BlackRock Group client accounts. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods and/or services, general office equipment, computer hardware or premises, membership fees, employee salaries or direct money payments. To the extent that BlackRock uses its clients' commission dollars to obtain research or execution services, BlackRock Group companies will not have to pay for those products and services themselves. BlackRock Group companies may receive research or execution services that are bundled with the trade execution, clearing and/or settlement services provided by a particular broker-dealer. To the extent that each BlackRock Group company receives research or execution services on this basis, many of the same potential conflicts related to receipt of these services through third party arrangements exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing and settlement services provided by the broker-dealer and will not be paid by that BlackRock Group company.

    Each BlackRock Group company may endeavour, subject to best execution, to execute trades through brokers who, pursuant to such arrangements, provide research or execution services in order to ensure the continued receipt of research or execution services that BlackRock Group company believes are useful in their investment decision-making or trade execution process. Each BlackRock Group company may pay, or be deemed to have paid, commission rates higher than it could have otherwise paid in order to obtain research or execution services if that BlackRock Group Company determines in good faith that the commission paid is reasonable in relation to the value of the research or execution services provided. BlackRock Group believes that using commission dollars to obtain the research or execution services enhances its investment research and trading processes, thereby increasing the prospect for higher investment returns.

    BlackRock Group may from time to time choose to alter or choose not to engage in the above described arrangements to varying degrees, without notice to BlackRock Group clients, to the extent permitted by applicable law.

    The investment activities of the BlackRock Group for its own account and for other accounts managed by it or by a PNC Group company may limit the investment strategies that can be conducted on behalf of the Funds by the Investment Advisers as a result of aggregation limits. For example, the definition of corporate and regulatory ownership of regulated industries in certain markets may impose limits on the aggregate amount of investment by affiliated investors that may not be exceeded. Exceeding these limits without the grant of a licence or other regulatory or corporate consent may cause the BlackRock Group and the Funds to suffer disadvantages or business restrictions. If such aggregate ownership limits are reached, the ability of the Funds to purchase or dispose of investments or exercise rights may be restricted by regulation or otherwise impaired. As a result the Investment Advisers on behalf of the Funds may limit purchases, sell existing investments or otherwise restrict or limit the exercise of rights (including voting rights) in light of potential regulatory restrictions on ownership or other restriction resulting from reaching investment thresholds.

23. For investments in the units of other UCITS and/or other UCIs (as defined in paragraph 2.1 (f) of appendix D) that are managed, directly or by delegation, by the Management Company itself or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or voting rights no management, subscription or redemption fees may be charged to the Company on its investment in the units of such other UCITS and/or other UCIs. However, where a performance fee is payable in relation to such other UCITS and/or other UCIs, the Company may be charged a performance fee on its investment in the units of such other UCITS and/or other UCIs.

24. With reference to Paragraph 3.5. of Appendix D, the Company is entitled to appoint companies within the BlackRock Group as securities lending agent. Any such securities lending agent will have the discretion to arrange stock loans with highly rated specialist financial institutions (the "counterparties"). Such counterparties can include associates of BlackRock, Inc. Collateral is marked to market on a daily basis and stock loans are repayable upon demand. The securities lending agent shall be entitled to receive remuneration in relation to its activities above. Such remuneration shall not exceed 37.5% of the net revenue from the activities, with all the operational costs borne out of the remuneration received by BlackRock Advisers (UK) Limited.

Statutory and Other Information

25. Copies of the following documents (together with a certified translation thereof where relevant) are available for inspection during usual business hours on any weekday (Saturdays and Public Holidays excepted) at the registered office of the Company and at the offices of BlackRock (Luxembourg) S.A., 6D route de Trèves, L-2633 Senningerberg, Luxembourg:

    (a) the Articles of Association of the Company; and

    (b) the material contracts entered into between the Company and its functionaries (as varied or substituted from time to time).

    A copy of the Articles of Association of the Company may be obtained free of charge at the above addresses.

26. Shares in the Company are and will continue to be made widely available. The intended categories of investors include both the general public as well as institutional investors. Shares in the Company will be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract these investors.

Appendix C – Authorised Status

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions not listed below may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction not listed below in connection with any applications for Shares in the Company, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. In certain jurisdictions no action has been taken or will be taken by the Company that would permit a public offering of Shares where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required. The information below is for general guidance only and it is the responsibility of any investor or distributor to comply with applicable securities laws and regulations.

Australia
Investors must read the Prospectus or any other disclosure document before making a decision to acquire Shares in the Company. The Company, which is the issuer of the Prospectus, is not licensed to provide financial product advice within the meaning of the Corporations Act 2001 (Cth) in Australia.

The Company is not available for investment by retail clients within the meaning of the Corporations Act 2001 (Cth) and accordingly there is no product disclosure statement or cooling off regime for the Company.

Please note:

- investment in the Company can be subject to investment risk, including possible delays in repayment and loss of income and principal invested; and

- unless otherwise specified in the Prospectus, no guarantee is provided by the Company in relation to the success of the Company or the achievement of a particular rate or return on income or capital.

By investing in the Company, you acknowledge that you have read and understood the above disclosures.

Austria
The Austrian Financial Market Authority has been notified of the intention to market Shares in the Company in Austria according to section 140(1) Austrian Investment Fund Act 2011 (InvFG 2011). This Prospectus is available in a German language version, which includes additional information for Austrian investors. The key investor information documents are also available in German.

Belgium
The Company has been registered with the Financial Services and Markets Authority in accordance with 154 of the Law of 3 August 2012 relating to certain forms of collective management of investment portfolios. A copy of the prospectus (in English), the KIIDs (in English, French and Dutch), the Articles of Association (in English) and the latest periodical report (in English) can be obtained, free of charge, from the Belgian Paying Agent (J.P. Morgan Chase Bank, Brussels Branch, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium).

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

France
The Company has been authorised by the Autorité des Marchés Financiers (the "AMF") to market certain of its Funds in France. CACEIS Bank will perform the services of Centralising Correspondent in France. This Prospectus is available in a French language version. The additional information for French investors should be read in conjunction with this Prospectus. Documentation relating to the Company can be inspected at the offices of CACEIS Bank, the registered office of which is at 1/3, place Valhubert, 75013 Paris, France, during normal business hours and copies of the documentation can be obtained from them if required.

Finland
The Company has notified the Financial Supervision Authority in accordance with Section 127 of the Act on Common Funds (29.1.1999/48, as amended) and by virtue of confirmation from the Financial Supervision Authority the Company may publicly distribute its Shares in Finland. Certain information and documents that the Company must publish in Luxembourg pursuant to applicable Luxembourg law are translated into Finnish and are available for Finnish investors at the offices of the appointed distributors in Finland.

Greece
Approval has been granted to the Company by the Hellenic Capital Markets Committee in accordance with the procedures provided by Law 4099/2012, to register and distribute its Shares in Greece. This Prospectus is available in a Greek language translation. It must be noted that the relevant regulations provide that "SICAV Funds do not have a guaranteed performance and that previous returns do not secure future returns".

Hungary
The Hungarian Financial Supervisory Authority authorized the Hungarian distribution of the Company's Shares pursuant to Section 288 (1) of the Hungarian Act CXX of 2001 on the Capital Market on 10 July 2010.The distribution of the Shares issued by the Funds that had been launched subsequent to 1 January 2012 was authorized by the Commission de Surveillance du Secteur Financier (CSSF) of Luxembourg and this license was passported to Hungary in accordance with Section 98 of the Hungarian Act CXCIII of 2011 on Investment Management Firms and the Collective Forms of Investment.KIIDs for all of the Company's Shares are also available to investors in a Hungarian language version.

Ireland
The Management Company has notified the Central Bank of Ireland of its intention to publicly distribute Shares in certain Funds in Ireland. J.P. Morgan Administration Services (Ireland) Limited will perform the services of facilities agent in Ireland. Documentation relating to the Company can be inspected at J.P. Morgan Administration Services (Ireland) Limited's offices at JPMorgan House, International Financial Services Centre, Dublin 1, Ireland during normal business hours and copies of the documentation can be obtained from them if required. J.P. Morgan Administration Services (Ireland) Limited will also forward any redemption or dividend payment requests or any complaints relating to the Company to the Transfer Agent.

Italy
The Company has notified the intention to market in Italy certain Funds pursuant to article 42 of Legislative Decree no. 58 of 24 February 1998 and implementing regulations. The offering of the Funds can only be carried out by the appointed distributors indicated in the list referred to in the Italian wrapper (New Subscription Form) in accordance with the procedures indicated therein. A shareholder who makes a subscription or a redemption of Shares through the local Paying Agent or other entities responsible for processing Share transactions in Italy may be charged with the expenses linked to the activity carried out by such entities. In Italy, additional expenses incurred by the Italian Paying Agent(s) or other entities responsible for processing Share transactions for and on behalf of Italian shareholders (for example for the cost of foreign exchange dealing and for intermediation in payments) may be charged to those shareholders directly. Further details of any such additional charges will be provided in the Subscription Form for Italy. Investors in Italy may confer on the Italian Paying Agent a specific mandate empowering the latter to act in its own name and on behalf of the same investors. Under this mandate, the Italian Paying Agent in its own name and on behalf of the investors in Italy shall (i) transmit in aggregated form to the Company subscription /redemption/conversion orders; (ii) hold the Shares in the register of shareholders of the Company and (iii) carry out any other administrative activity under the investment contract. Further details of such mandate will be provided in the subscription form for Italy.

In Italy investors may be able to subscribe for Shares through regular savings plans. Under regular savings plans it may be also possible to periodically/regularly redeem and/or convert the Shares. Details of the regular savings plans facilities offered will be provided in the subscription form for Italy.

Jersey
The consent of the Jersey Financial Services Commission (the "Commission") has been obtained pursuant to the Control of Borrowing (Jersey) Order 1958, as amended, to raise money in the Island by the issue of Shares of the Company and for the distribution of this Prospectus. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.

Netherlands
The Company may offer its Shares to the public in the Netherlands in accordance with Directive 2009/65/EC on undertakings for collective investment in transferable securities (UCITS), as implemented in the Netherlands Financial Markets Supervision Act (Wet op het financieel toezicht). Dutch translations of the KIIDs and all information and documents that the Company must publish in Luxembourg pursuant to applicable Luxembourg laws are available from BlackRock Investment Management (UK) Limited, Amsterdam Branch.

Norway
The Company has notified the Financial Supervisory Authority of Norway (Finanstilsynet) in accordance with applicable Norwegian Securities Funds legislation. By virtue of a confirmation letter sent from the CSSF to the Financial Supervisory Authority on 30 May 2012, the Company may market and sell its Shares in Norway.

Poland
The Company has notified the Polish Securities and Exchange Commission (Komisja Nadzoru Finansowego) of its intention to distribute its Shares in Poland under article 253 of an Act on investment funds dated May 27th 2004 (Dz. U.2014.157, as amended). The Company has established its representative and payment agent in Poland. This Prospectus and the key investor information documents are available in Polish as well as other documents and information required by the provisions of laws of the state where it maintains its head office. The Company distributes its Shares in Poland by authorised distributors only.

Singapore
Certain Funds of the Company (the "Restricted Sub-Funds") have been entered onto the list of restricted schemes maintained by the Monetary Authority of Singapore (the "MAS") for purpose of restricted offer in Singapore pursuant to section 305 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and the list of Restricted Sub-Funds may be accessed at: https://masnetsvc2.mas.gov.sg/cisnetportal/jsp/list.jsp.

The offer or invitation of the shares (the "Shares") of the Restricted Sub-Funds, which is the subject of this Prospectus, does not relate to a collective investment scheme which is authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or recognised under Section 287 of the SFA. The Restricted Sub-Funds are not authorised or recognised by the MAS and the Shares are not allowed to be offered to the retail public.

This Prospectus and any other document or material issued in connection with this restricted offer or sale of the Restricted Sub-Funds is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Prospectus and any other document or material in connection with the restricted offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, pursuant to this Prospectus whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 305 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 305A(5) of the SFA; or

(5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

The offer or invitation of the Shares is regulated by the Commission de Surveillance du Secteur Financier (the "CSSF") under Part I of the law of 17 December 2010, as amended from time to time. The contact details of the CSSF are as follows: Telephone: +352 26-251-1 (switchboard); Fax: +352 26-251-601. The Company is incorporated in the Grand Duchy of Luxembourg and the business address of the Company is 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. BlackRock (Luxembourg) S.A., being the management company of the Company, is incorporated in the Grand Duchy of Luxembourg and regulated by the CSSF. State Street Bank Luxembourg S.A., being the custodian of the Company, is incorporated in the Grand Duchy of Luxembourg and regulated by the CSSF. The policy of each Restricted Sub-Fund is to not enter into any side letter arrangements that may result in differentiated or preferential treatment for certain classes of investors. Investors in Singapore should note that if they wish to obtain information on the past performance of the Restricted Sub-Funds, they should contact BlackRock (Singapore) Limited at +65 6411-3000 to obtain such information. Other information required by the Monetary Authority of Singapore is contained elsewhere in this Prospectus.

Spain
The Company is duly registered with the Comisión Nacional de Mercado de Valores in Spain under number 626.

Sweden
The Company has notified the Swedish Financial Supervisory Authority in accordance with Chapter 1, Section 7 of the Swedish Securities Funds Act 2004 (Sw. lag (2004:46) om värdepappersfonder) and by virtue of a confirmation from the Swedish Financial Supervisory Authority, the Company may publicly distribute its Shares in Sweden.

Switzerland
The Swiss Financial Market Supervisory Authority FINMA has authorised BlackRock Asset Management Schweiz AG as the Company's Swiss representative, to distribute the Shares of each of the Company's Funds in or from Switzerland in accordance with Article 123 of the Collective Investment Schemes Act of 23 June 2006. A German language version of this Prospectus is available which also includes the additional information for Swiss investors.

United States
The Shares will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") and may not be directly or indirectly offered or sold in the United States or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of a US Person. The Company will not be registered under the US Investment Company Act of 1940. US Persons are not permitted to own Shares. Attention is drawn to paragraphs 3 and 4 of Appendix A which specify certain compulsory redemption powers and define "US Person".

United Kingdom
The contents of this Prospectus have been approved solely for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (the "Act") by the Company's UK Distributor, BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL (which is regulated by the FCA in the conduct of investment business in the UK). The Company has obtained the status of "recognised scheme" for the purposes of the Act. Some or all of the protections provided by the UK regulatory system will not apply to investments in the Company. Compensation under the UK Investors Compensation Scheme will generally not be available. The Company provides the facilities required by the regulations governing such schemes at the offices of BlackRock Investment Management (UK) Limited which acts as the UK facilities agent. UK investors can contact the UK facilities agent at the above address to obtain details regarding the prices of units, to redeem or arrange for the redemption of Shares, to obtain payment and to make a complaint. Details on the procedure to be followed in connection with the subscription, redemption and switching of Shares are set out in this Prospectus. Copies of the following documents will be available (in English) for inspection and can be obtained at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the above address of the UK Facilities Agent:

(a) the Articles of Association;

(b) the Prospectus, key investor information document and any supplement or addendum to the Prospectus; and

(c) the most recently published annual and half yearly reports relating to the Company;

An applicant for Shares will not have the right to cancel his application under the UK FCA's Conduct of Business Rules. Further details on BlackRock Strategic Funds can be obtained from the local Investor Servicing team in London, telephone: +44 (0)207 743 3300.

Generally
The distribution of this Prospectus and the offering of the Shares may be authorised or restricted in certain other jurisdictions. The above information is for general guidance only and it is the responsibility of any persons in possession of this Prospectus and of any persons wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions.

Appendix D – Investment and Borrowing Powers and Restrictions

Investment and Borrowing Powers

1. The Company's Articles of Association permit it to invest in transferable securities and other liquid financial assets, to the full extent permitted by Luxembourg law. The Articles have the effect that, subject to the law, it is at the Directors' discretion to determine any restrictions on investment or on borrowing or on the pledging of the Company's assets.

2. The Company's Articles of Association permit the subscription, acquisition and holding of securities issued or to be issued by one or more other Funds of the Company under the conditions set forth by Luxembourg laws and regulations.

Investment and Borrowing Restrictions

3. The following restrictions of Luxembourg law and (where relevant) of the Directors currently apply to the Company:

3.1. The investments of each Fund shall consist of:

(a) Transferable securities and money market instruments admitted to official listings on stock exchanges in Member States of the European Union (the "EU"),

(b) Transferable securities and money market instruments dealt in on other regulated markets in Member States of the EU, that are operating regularly, are recognised and are open to the public,

(c) Transferable securities and money market instruments admitted to official listings on stock exchanges in any other country in Europe, Asia, Oceania, the American continent and Africa,

(d) Transferable securities and money market instruments dealt in on other regulated markets that are operating regularly, are recognised and open to the public of any other country in Europe, Asia, Oceania, the American continent and Africa,

(e) Recently issued transferable securities and money market instruments provided that the terms of the issue include an undertaking that application will be made for admission to the official listing on one of the stock exchanges as specified in a) and c) or regulated markets that are operating regularly, are recognised and open to the public as specified in b) and d) and that such admission is secured within a year of issue,

(f) Units of UCITS and/or other undertakings for collective investment ("UCIs") within the meaning of Article 1(2), points a) and b) of Directive 2009/65/EC, as amended, whether they are situated in a Member State or not, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Commission de Surveillance du Secteur Financier ("CSSF") to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;

- the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended;

- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the UCITS' or the other UCIs' assets (or of the assets of any sub-fund thereof, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties), whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;

(g) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

(h) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market; and/or any financial derivative instruments dealt in over-the-counter ('OTC derivatives'), provided that:

- the underlying consists of instruments described in sub-paragraphs (a) to (g) above, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives;

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and

- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

(i) money market instruments other than those dealt in on a regulated market, which fall under Article 41(1)(a) of the 2010 Law, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

- issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or

- issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs (a), (b) or (c) above; or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Article 1 of Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

3.2. Furthermore, each Fund may invest no more than 10% of its net assets in securities and money market instruments other than those referred to in sub-paragraph 3.1. (a) to (i).

3.3. Each Fund may acquire the Shares of other Funds in the Company and the units or shares of UCITS and/or other UCIs referred to in paragraph 3.1. (f). Each Fund's aggregate investment in UCITS or other UCIs will not exceed 10% of its net assets in order that the Funds are deemed eligible investments for other UCITS funds provided that such restriction shall not be applicable to the following Funds:

- BlackRock Euro Dynamic Diversified Growth Fund
- BlackRock Managed Index Portfolios – Defensive
- BlackRock Managed Index Portfolios – Moderate
- BlackRock Managed Index Portfolios – Growth

Each Fund may acquire the units of UCITS and/or other UCIs referred to in paragraph 3.1. (f), provided that no more than 20% of such Fund's net assets are invested in the units of any single UCITS and/or other UCI. For the purpose of the application of this limit, each target UCITS or UCI sub-fund of an umbrella is to be considered as a separate issuer, provided that segregated liability in relation to third party claims between sub-funds is effective.

The maximum aggregate investment by a Fund in units of eligible UCIs other than UCITS may not exceed 30% of such Fund's net assets.

When a Fund has acquired shares of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraph 3.5.

When a Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same investment manager or by any other company with which the investment manager is linked by common management or control, or by a substantial direct or indirect holding, no subscription or redemption fees may be charged to the Company on its investment in the units of such other UCITS and/or UCIs. For further details please refer to paragraph 23 of the section entitled "Conflicts of Interest and Relationships within the BlackRock Group and with the PNC Group" of this Prospectus.

Where a Fund invests a substantial proportion of its net assets in other UCITS and other UCIs, the Investment Adviser will ensure that the total management fee (excluding any performance fee, if any) charged to such Fund (including management fees from other UCITS and UCIs in which it invests) shall not exceed 3.75% of the net asset value of the Fund.

When a Fund invests (the "investor Fund") in shares of another Fund in the Company (the "target Fund"):

- the target Fund may not itself invest in the investor Fund;
- the target Fund may not invest more than 10% of its net assets in Shares of another Fund of the Company (as set out above in this paragraph);
- any voting rights which may be attached to the Shares of the target Fund will be suspended for the investor Fund for the duration of the investment;
- any management fees or subscription or redemption fees payable in relation to the target Fund may not be charged to the investor Fund. However, any performance fees payable in relation to the target Fund may be charged to the investor Fund; and
- the net asset value of the Shares of the target Fund may not be considered for the purpose of the requirement that the capital of the Company should be above the legal minimum as specified in the 2010 Law, currently €1,250,000.

3.4. A Fund may hold ancillary liquid assets.

3.5. A Fund may not invest in any one issuer in excess of the limits set out below:

(a) Not more than 10% of a Fund's net assets may be invested in transferable securities or money market instruments issued by the same entity.

(b) Not more than 20% of a Fund's net assets may be invested in deposits made with the same entity.

(c) By way of exception, the 10% limit stated in the first paragraph of this section may be increased to:

- a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States belong;
- a maximum of 25% in the case of certain bonds when these are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond holders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. When a Fund invests more than 5% of its net assets in the bonds referred to in this paragraph and issued by one issuer, the total value of these investments may not exceed 80% of the value of the net assets of such Fund.

(d) The total value of the transferable securities or money market instruments held by a Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not then exceed 40% of the value of its net assets.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision. The transferable securities and money market instruments referred to in the two indents of paragraph 3.5. (c) above shall not be taken into account for the purpose of applying the limit of 40% referred to in this paragraph.

Notwithstanding the individual limits laid down in sub-paragraphs 3.5. (a) to (d) above, a Fund may not combine

– investments in transferable securities or money market instruments issued by a single entity, and/or

– deposits made with a single entity, and/or

– exposures arising from OTC derivative transactions undertaken with a single entity,

in excess of 20% of its net assets.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above mentioned restrictions.

The limits provided for in sub-paragraphs 3.5. (a) to (d) above may not be combined, and thus investments in transferable securities or money market instruments issued by the same entity or in deposits or derivative instruments made with this entity carried out in accordance with paragraphs 3.5. (a) to (d) shall under no circumstances exceed in total 35% of the net assets of the Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single entity for the purpose of calculating the investment limits mentioned in sub-paragraphs 3.5. (a) to (d) above.

The Fund may not invest cumulatively more that 20% of its net assets in transferable securities or money market instruments of the same group subject to restrictions 3.5. (a) and the three indents under 3.5. (d) above.

Without prejudice to the limits laid down in paragraph 3.7. below, the limit of 10% laid down in sub-paragraph 3.5. (a) above is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of a Fund is to replicate the composition of a certain equity or debt securities index which is recognised by the CSSF, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

By way of derogation, each Fund is authorised to invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by an EU Member State, its local authorities, by another member state of the OECD or public international bodies of which one or more EU Member States are members, provided that (i) such securities are part of at least six different issues and (ii) securities from any one issue do not account for more than 30% of the net assets of such Fund.

3.6. The Company may not invest in shares with voting rights enabling it to exercise significant influence over the management of the issuing body.

3.7. The Company may not:

(a) Acquire more than 10% of the shares with non-voting rights of one and the same issuer.

(b) Acquire more than 10% of the debt securities of one and the same issuer.

(c) Acquire more than 25% of the units of one and the same undertaking for collective investment.

(d) Acquire more than 10% of the money market instruments of any single issuer.

The limits stipulated in sub-paragraphs 3.7. (b), (c) and (d) above may be disregarded at the time of acquisition if, at that time, the gross amount of debt securities or of the money market instruments, or the net amount of securities in issue cannot be calculated.

3.8. The limits stipulated in paragraphs 3.6. and 3.7. above do not apply to:

(a) Transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;

(b) Transferable securities and money market instruments issued or guaranteed by a non-EU Member State;

(c) Transferable securities and money market instruments issued by public international institutions to which one or more EU Member States are members;

(d) Transferable securities held by a Fund in the capital of a company incorporated in a non-Member State investing its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which such Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the 2010 Law. Where the limits set in Articles 43 and 46 of the 2010 Law are exceeded, Article 49 shall apply mutatis mutandis;

(e) Transferable securities held by the Company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unitholders' request exclusively on its or their behalf.

3.9. The Company may always, in the interest of the shareholders, exercise the subscription rights attached to securities, which forms part of its assets.

When the maximum percentages stated in paragraphs 3.2. through 3.7. above are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt, as a priority objective, sales transactions to remedy the situation, taking due account of the interests of its shareholders.

3.10. A Fund may borrow to the extent of 10% of its total net assets (valued at market value) provided these borrowings are made on a temporary basis. However, the Company may acquire for the account of a Fund foreign currency by way of back-to-back loan.

3.11. The Company may not grant credit facilities nor act as guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, money market instruments or other financial investments referred to in sub-paragraphs 3.1. (f), (h) and (i) above, in fully or partly paid form and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan.

3.12. The Company undertakes not to carry out uncovered sales transactions of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 3.1. (f), (h) and (i) above; provided that this restriction shall not prevent the Company from making deposits or carrying out accounts in connection with financial derivatives instruments, permitted within the limits referred to above.

3.13. The Company's assets may not include precious metals or certificates representing them, commodities, commodities contracts, or certificates representing commodities.

3.14. The Company may not purchase or sell real estate or any option, right or interest therein, provided that the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

3.15. The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

The Company shall take the risks that it deems reasonable to reach the assigned investment objective set for each Fund; however, it cannot guarantee that it shall reach its goals given stock exchange fluctuations and other risks inherent in investments in transferable securities.

4. Financial Techniques and Instruments.

4.1. The Company must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it must employ a process for accurate and independent assessment of the value of OTC derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.

4.2. In addition, the Company is authorised to employ techniques and instruments relating to transferable securities and to money market instruments under the conditions and within the limits laid down by the CSSF provided that such techniques and instruments are used for the purpose of efficient portfolio management or for hedging purposes.

4.3. When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the 2010 Law.

Under no circumstances shall these operations cause the Company to diverge from its investment policies and investment restrictions.

4.4. The Company will ensure that the global exposure of the underlying assets shall not exceed the total net value of a Fund.

Each Fund may invest in financial derivative instruments within the limits laid down in paragraph 3.5. (d), provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraphs 3.5. (a) to (d) above. The underlying assets of index based derivative instruments are not combined to the investment limits laid down under sub-paragraphs 3.5. (a) to (d) above.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The counterparty risk on any transaction involving an OTC derivative instrument may not exceed 10% of the assets of a Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing on the EU.
This limit is set at 5% in any other case.

4.5. Efficient Portfolio Management – Other Techniques and Instruments

In addition to the investments in financial derivatives instruments, the Company may employ other techniques and instruments relating to transferable securities and money market instruments subject to the conditions set out in the CSSF Circular 08/356, as amended from time to time, and ESMA Guidelines ESMA/2012/832EL, such as repurchase/reverse repurchase transactions, ("repo transactions") and securities lending. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including financial derivatives instruments which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

a) they are economically appropriate in that they are realised in a cost-effective way;

b) they are entered into for one or more of the following specific aims:

   (i) reduction of risk;

   (ii) reduction of cost;

   (iii) generation of additional capital or income for the Company with a level of risk which is consistent with the risk profile of the Company and its relevant Funds and the risk diversification rules applicable to them;

c) their risks are adequately captured by the risk management process of the Company; and

d) they cannot result in a change to the Fund's declared investment objective or add significant supplementary risks in comparison to the general risk policy as described in the Prospectus and relevant KIIDs.

Techniques and instruments (other than financial derivatives instruments) which may be used for efficient portfolio management purposes are set out below and are subject to the conditions set out below.

Moreover those transactions may be carried out for 100% of the assets held by the relevant Fund provided (i) that their volume is kept at an appropriate level or that the Company is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations; and (ii) that these transactions do not jeopardise the management of the Company's assets in accordance with the investment policy of the relevant Fund. Risks shall be monitored in accordance with the risk management process of the Company.

4.6. Securities lending transactions

The Company may enter into securities lending transactions provided that it complies with the following rules:

(i) the Company may lend securities either directly or through a standardised system organised by a recognised clearing institution or a lending program organised by a financial institution subject to prudential supervision rules which are recognised by the CSSF as equivalent to those laid down in Community law and specialised in this type of transactions;

(ii) the borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law;

(iii) net exposures (i.e. the exposures of a Fund less the collateral received by a Fund) to a counterparty arising from securities lending transactions shall be taken into account in the 20% limit provided for in article 43(2) of the 2010 Law;

(iv) as part of its lending transactions, the Company must receive collateral, the value of which, during the duration of the lending agreement, must be equal to at least 90% of the global valuation of the securities lent (interests, dividends and other eventual rights included);

(v) such collateral must be received prior to or simultaneously with the transfer of the securities lent. When the securities are lent through an intermediary referred to under 4.6(i) above, the transfer of the securities lent may be effected prior to receipt of the collateral, if the relevant intermediary ensures proper completion of the transaction. The intermediary may, instead of the borrower, provide to the UCITS collateral in lieu of the borrower; and

(vi) the Company must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.

The Company shall disclose the global valuation of the securities lent in the annual and semi-annual reports.

4.7. Repo transactions

The Company may enter into:

(i) repurchase transactions which consist in the purchase or sale of securities with provisions reserving the seller the right or the obligation to repurchase from the buyer securities sold at a price and term specified by the two parties in their contractual arrangement; and

(ii) reverse repurchase agreement transactions, which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and the Company the obligation to return the securities received under the transaction.

4.7.1 The Company can act either as buyer or seller in repo transactions. Its involvement in such transactions is however subject to the following rules:

(a) the fulfilment of the conditions 4.6(ii) and 4.6(iii);

(b) during the life of a repo transaction with the Company acting as purchaser, the Company shall not sell the securities which are the object of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless the Company has other means of coverage;

(c) the securities acquired by the Company under a repo transaction must conform to the Fund's investment policy and investment restrictions and must be limited to:

(i) short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of 19 March 2007;

(ii) bonds issued by non-governmental issuers offering an adequate liquidity;

(iii) assets referred to under 4.8.2 (b), (c) and (d) below; and

The Company shall disclose the total amount of the open repo transactions on the date of reference of its annual and interim reports.

4.7.2 Where the Company enters into repurchase agreements, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

4.7.3 Where the Company enters into reverse repurchase agreements, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

4.8 Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques

4.8.1 Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques ("Collateral"), such as a repo transaction or securities lending arrangement, must comply with the following criteria:

(a) liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Article 48 of the 2010 Law;

(b) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;

(c) issuer credit quality: Collateral should be of high quality;

(d) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

(e) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of Collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and

(f) immediately available: Collateral must be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

4.8.2 Subject to the above criteria, Collateral must comply with the following criteria:

(a) liquid assets such as cash, short term bank deposits, money market instruments as defined in Directive 2007/16/EC of 19 March 2007, letters of credit and guarantees at first demand issued by a first class credit institution not affiliated to the counterparty;

(b) bonds issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and bodies of a community, regional or world-wide scope;

(c) shares or units issued by money market-type UCIs calculating a daily net asset value and having a rating of AAA or its equivalent;

(d) shares or units issued by UCITS investing mainly in bonds/shares mentioned under (e) and (f) hereunder;

(e) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or

(f) shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index.

4.8.3 Where there is title transfer, the Collateral received should be held by the Custodian, or its agent. Where there is no title transfer the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.

4.8.4 When the Collateral given in the form of cash exposes the Company to a credit risk vis-à-vis the trustee of this Collateral, such exposure shall be subject to the 20% limitation as laid down in paragraph 3.5 above.

4.8.5 During the duration of the agreement, non-cash collateral cannot be sold, re-invested or pledged.

4.8.6 Cash received as collateral may only be:

(i) placed on deposit with entities prescribed in Article 50(f) of Directive 2009/65/EC;

(ii) invested in high quality government bonds;

(iii) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company can recall at any time the full amount of the cash on an accrued basis; and

(iv) invested in short term money market funds as defined in the CESR Guidelines on a common definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

4.8.7 The Company has implemented a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Company that any Collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

4.8.8 Risk and potential Conflicts of Interest associated with OTC derivatives and efficient portfolio management

(a) There are certain risks involved in OTC derivative transactions, efficient portfolio management activities and the management of collateral in relation to such activities. Please refer to the sections of this Prospectus entitled "Conflicts of Interest and Relationships within the BlackRock Group and with the PNC Group" and "Risk Considerations" and, in particular but without limitation, the risk factors relating to derivatives, counterparty risk and counterparty risk to the Custodian. These risks may expose investors to an increased risk of loss.

(b) The combined counterparty risk on any transaction involving OTC derivative instruments or efficient portfolio management techniques may not exceed 10% of the assets of a Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing on the EU. This limit is set at 5% in any other case.

The Investment Advisers will continuously assess the credit or counterparty risk as well as the potential risk, which is for trading activities, the risk resulting from adverse movements in the level of volatility of market prices and will assess the hedging effectiveness on an ongoing basis. They will define specific internal limits applicable to these kinds of operations and monitor the counterparties accepted for transactions.

Appendix E – Calculation of Performance Fees

A number of technical terms are used to describe how the performance fee is calculated. These are explained in the glossary below:

Benchmark	The index or the interest rate against which the performance of each Fund is measured for the purpose of calculating the performance fee (see Appendix F for details in respect of each Fund). For the avoidance of doubt, the index or interest rate referred to in each case is solely used for performance fee calculation purposes, and should therefore under no circumstances be considered as indicative of a specific investment style. Where the selected Benchmark is not available at the calculation point, an appropriate substitute, which the Management Company has deemed best represents the performance of such Benchmark may be used in calculating the performance of the Benchmark.
Benchmark Return	In the case where the Benchmark is an index, the change in performance return of the Benchmark, calculated on each Valuation Day as the percentage difference between the value of the Benchmark on that day and that of the previous Valuation Day. In the case of an interest rate-based Benchmark, the arithmetic mean on each Valuation Day of the offered quotations on this interest rate. If the value of the Benchmark is not published on a particular Valuation Day, determination of whether to accrue a performance fee shall be delayed until such Valuation Day as the value of the Benchmark has been published. The Benchmark Return is determined on the basis of independently obtained quotations and calculated in accordance with prevailing market practice.
Current Day NAV	The Net Asset Value of each Share in a particular Share Class in the Fund after all regularly accruing charges and expenses have been accrued to the Fund but before any performance fee has been accrued on the Current Valuation Day.
Crystallise/ Crystallisation	The point at which any performance fee becomes payable to the Management Company, even if it is paid out at a later date. Crystallisation will occur either at the end of a Financial Year or on the Dealing Day when a shareholder redeems or converts all or part of his shareholding.
Financial Year	The Financial Year of the Company. The Financial Year starts on 1 June each year.
Net Asset Value per Share Return	This is calculated on each Valuation Day as the difference between the Current Day NAV per Share and that of the Prior Day NAV per Share on the previous Valuation Day for that Share Class. Dividend distributions paid out shall not be deemed to impact the performance of that Share Class.
Performance Period	The initial performance period for each Share Class is set on the launch of that Share Class and runs to the end of the current Financial Year. Subsequent performance periods then run from the end of one Financial Year to the end of the following Financial Year.
Prior Day NAV	The Net Asset Value of each Share in a particular Share Class in the Fund after the performance fee and all other regularly accruing charges and expenses have been accrued to the Fund on the previous Valuation Day.
Reference NAV	With respect to Type A Funds, either for the first Performance Period of a Share Class the initial Net Asset Value per Share, or in subsequent Performance Periods the Reference NAV will be the higher of: (a) the NAV per Share of the Share Class at the end of the previous Performance Period where a performance fee has been paid out, adjusted by accumulated hurdle since the last performance fee was paid out; or (b) the NAV per Share at the end of the previous Performance Period

How does the performance fee work?

Summary

A performance fee is payable to the Management Company in respect of certain Share Classes set out in Appendix F, in addition to other fees and expenses mentioned in this Prospectus. Two methods of calculation are used and are referred to as Type A and Type B – the method applicable to each Fund is described below and indicated in Appendix F.

Calculation Methods

For Type A Funds, a performance fee accrual is calculated where the Net Asset Value per Share Return of the relevant Share Class outperforms the relevant Benchmark Return and the Current Day NAV per Share is higher than the Reference NAV. Where the Current Day NAV per Share decreases below the Reference NAV and/or the NAV per Share Return underperforms the relevant Benchmark Return no performance fee will be accrued until such a decrease or underperformance has been made good in the course of any one Performance Period.

For Type B Funds a performance fee accrual is calculated where the Net Asset Value per Share Return of the relevant Share Class outperforms the relevant Benchmark Return. When the Net Asset Value per Share Return underperforms the relevant Benchmark Return no performance fee will be accrued until such underperformance has been made good. The underperformance that the Management Company is required to make good, prior to any payment of a performance fee, is carried forward in proportion to the shareholders remaining, in case of redemption, within the Fund at each valuation point. It is not required that the NAV has exceeded the Reference NAV.

Applicable Currency for performance fee

NAV currency

For purposes of calculating the performance fee (for Type A and Type B Funds), the (a) Net Asset Value per Share Return, (b) the Prior Day NAV, (c) the Current Day NAV, and (d) the Reference NAV (for Type A Funds) ((a) to (d) the "Performance Fee NAVs") shall be calculated and expressed in the base currency of the relevant Fund for all Share Classes (irrespective of the currency in which the relevant Share Class is denominated) with the exception of Hedged Share Classes. For Hedged Shares Classes the Performance Fee NAVs shall be calculated in the relevant currency of such Hedged Share Class.

Benchmark currency

For Type A Funds, the applicable Benchmark shall be the relevant Fund's Benchmark (as disclosed in Appendix F) and shall be expressed in the Fund's base currency for all Share Classes (irrespective of the currency in which the relevant Share Class is denominated) with the exception of Hedged Share Classes. For Hedged Share Classes, the Fund's Benchmark (as disclosed in Appendix F) shall be expressed in the relevant Hedged Share Class currency provided that an appropriate substitute, which the Management Company has deemed best represents the performance of the relevant Hedged Share Class shall be used if the relevant Benchmark is not available in the local currency of the relevant Hedged Share Class.

For Type B Funds, the applicable Benchmark shall be the relevant Fund's Benchmark (as disclosed in Appendix F) and shall be calculated in the Fund's base currency for all Share Classes (irrespective of the currency in which the relevant Share Class is denominated and irrespective of whether the relevant Share Class is a Hedged Share Class or not).

Accrual basis

On each Valuation Day, the Net Asset Value per Share Return of the relevant Share Class, before any adjustment for net inflows and net outflows that may be made in accordance with paragraph 16(c) of Appendix A, is compared to the relevant Benchmark Return ("Outperformance" or "Underperformance"). A separate performance fee calculation is carried out in respect of each Share Class.

Any performance fee accrual is calculated as up to 10%, 20% or 24% (as applicable) of the Outperformance per Share of the Current Day NAV of the Share Class multiplied by the outstanding number of Shares on the Valuation Day for that Share Class.

The cumulative performance fee accruals from the beginning of the Performance Period will be included in the ongoing calculation of the Net Asset Value per Share.

In the case of Type A Funds, at the end of a Performance Period the Reference NAV for the following Performance Period shall be calculated before any adjustment for net inflows and net outflows that may be made in accordance with paragraph 16(c) of Appendix A.

Crystallisation

Crystallisation of the performance fee occurs on the last day of each Performance Period. Any performance fee due is payable out of the Fund to the Management Company in arrears after the end of the Performance Period. Accordingly, once the performance fee has crystallised no refund will be made in respect of any performance fee paid out at that point in subsequent Performance Periods.

If a shareholder redeems or converts all or part of his Shares before the end of the Performance Period, any accrued performance fee with respect to such redeemed Shares will crystallise on that Dealing Day and will then become payable to the Management Company. In the case of Type A Funds the reference NAV is not reset on those Dealing Days at which performance fees crystallise following a redemption of Shares.

The auditor of the Company will audit the calculations of the performance fees paid out on an annual basis. The Directors shall ensure that the accrual represents fairly and accurately the performance fee liability that may eventually be payable by the Fund or Share Class to the Management Company.

Appendix F – Portfolios including Investment Objectives & Policies

Choice of Funds
As of the date of this Prospectus, investors are able to choose from the following Funds of BlackRock Strategic Funds set out in this Appendix. Those Funds which are indicated as "not launched" are not available for subscription at the date of this Prospectus. Such Funds may be launched at the Directors' discretion. Confirmation of the launch date of these Funds will then be made available from the local Investor Servicing team. Any provisions in this Prospectus relating to any one of these Funds shall only take effect from the launch date of the relevant Fund. An updated list of those Funds offering Additional Dealing Currencies, Hedged Share Classes, Distributing and Non-Distributing Share Classes and UK Reporting Fund status Share Classes is available from the Company's registered office and the local Investor Servicing team.

Certain investment strategies and/or certain Funds may become "capacity constrained". This means that the Directors may determine to restrict the purchase of Shares in a Fund affected by such constraint when it is in the interests of such Fund and/or its shareholders to do so, including without limitation (by way of example), when a Fund or the investment strategy of a Fund reaches a size that in the opinion of the Management Company and/or Investment Advisers could impact its ability to implement its investment strategy, find suitable investments or efficiently manage its existing investments. When a Fund reaches such a capacity limit, shareholders will be notified accordingly and no further subscriptions will be permitted in the Fund during such closure period. Shareholders will not be prevented from redeeming Shares in the relevant Fund during such closure period. Should a Fund fall beneath its capacity limit, including without limitation (by way of example), as a result of redemptions or market developments, the Directors are permitted, in their absolute discretion, to re-open the Fund or any Share Class on a temporary or permanent basis. Information on whether the purchase of Shares in a Fund at a specific point in time is restricted in this way is available from the local Investor Servicing team.

Investments of the Funds
The primary focus of each Fund will be on making investments that are intended to meet each Funds respective investment objective. However, there can be no assurance that the objectives of each Fund will be achieved. Investors must read the Special Risk Considerations section above before investing in any of the following Funds.

Each Fund is managed separately and in accordance with the investment and borrowing restrictions specified in Appendix D. Funds may employ investment management techniques, including the use of financial derivative instruments and certain currency strategies not only for the purpose of hedging or risk management but also in order to increase total return. Each of the Fund's derivative investments may include futures, options, contracts for differences, forward contracts on financial instruments and options on such contracts, mortgage TBAs and swap contracts (including credit default swaps and total return swaps) by private agreement and other fixed interest, equity and credit derivatives. The Funds may also invest in units in collective investment undertakings and in other transferable securities. For the purpose of these investment objectives and policies all references to "transferable securities" shall include "money market instruments and both fixed and floating rate instruments".

Unless defined otherwise in the individual investment policies of the Funds, the following definitions, investment rules and restrictions apply to all Funds of the Company:

- Where an individual investment policy of a Fund refers to 70% of its total assets being invested in a specific type or range of investments, the remaining 30% of the total assets may be invested in financial instruments of companies or issuers of any size in any sector of the economy globally, unless the individual investment policy of such Fund contains further restrictions. However, the following restriction will apply in the case of a Bond Fund:

  no more than 10% of its total assets will be invested in equities.

- The term "total assets" does not include ancillary liquid assets.

- Ancillary liquid assets are cash and near-cash instruments which are not held by a Fund for the purpose of providing cover to facilitate its use of derivatives or held as an asset class within its portfolio to achieve its investment objective.

- Where an investment policy requires a particular percentage to be invested in a specific type or range of investments, such a requirement will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issuance, switching or redemption of Shares. In particular, in aiming to achieve a Fund's investment objective, investment may be made into other transferable securities than those in which the Fund is normally invested in order to mitigate the Fund's exposure to market risk.

- Funds may hold cash and near-cash instruments on an incidental basis.

- Funds which include "Absolute Return" in their title or investment objective and policy seek to achieve positive returns and capital growth regardless of market conditions. Each Fund aims to generate returns from adopting a combination of long positions, synthetic long positions, synthetic short positions, pair trades, market leverage (obtaining additional long exposure through the use of derivatives) and when determined appropriate from time to time, by holding cash and near-cash instruments. These Funds may invest both on a traditional 'long' investment basis coupled with 'synthetic long' and/or with 'synthetic short' positions, replicating short-investing techniques. By adopting these investment strategies, the Funds aim to improve the efficiency of the alpha that can be generated, creating excess returns, which are not dependent on the direction of movement of the underlying market. This should not, however, be interpreted to mean or imply that an absolute return is guaranteed, as there can be circumstances where negative returns are generated.

- Funds which include "Extension" or "Extension Strategies" in their title or investment objective seek to achieve long-term capital growth by using strategies to seek excess return relative to a benchmark index. Each Fund aims to generate returns from adopting a combination of long positions, synthetic long positions and synthetic short positions and market leverage (obtaining additional long exposure through the use of derivatives). Where a Fund's investment objective includes a reference to 'investment' in a particular asset type, this should be understood as including both direct investment in the underlying plus the exposure gained to the underlying through the use of derivative instruments. By adopting these strategies, the Funds aim to improve the efficiency of the alpha that can be generated, creating excess returns. This should not be interpreted, however, to mean or imply that the Funds will be successful in generating excess returns.

- Where the term "Europe" is used, it refers to all European countries including the UK, Eastern Europe and former Soviet Union countries.

- Funds investing globally or in Europe may contain investments in Russia, subject always to the 10% limit referred to in the "Emerging Markets" section above except for investment in securities listed on MICEX-RTS, which has been recognised as being a regulated market.

- If a Fund's investment objective states that "currency exposure is flexibly managed", this means that the relevant Investment Adviser(s) may be expected to regularly employ currency management and hedging techniques in the Fund. Techniques used may include hedging the currency exposure on a Fund's portfolio or/and using more active currency management techniques such as currency overlays, but does not mean that a Fund's portfolio will always be hedged in whole or in part.

- The term "non-investment grade" defines 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, are of comparable quality.

- Where the term "Latin American" is used; it refers to Mexico, Central America, South America and the islands of the Caribbean, including Puerto Rico.

- Funds which include "Total Return" in their investment objective seek to achieve long term capital growth as well as generate income.

- Where a Fund invests in derivatives in order to achieve its investment objectives, cover for such derivative positions may be held in cash or other liquid assets.

- Where a Fund invests in initial public offerings or new debt issues, the prices of securities involved in initial public offerings or new debt issues are often subject to greater and more unpredictable price changes than more established securities.

- For the avoidance of doubt, the index referred to in respect of each Fund is solely used for performance fee calculation purposes, and should therefore under no circumstances be considered as indicative of a specific investment style.

- Funds marked with an asterisk (*) are not available for subscription at the date of this Prospectus. Such Funds may be launched at the Directors' discretion. Confirmation of the launch date of these Funds will then be made available from the local Investor Servicing team. Any provisions in this Prospectus relating to any one of these Funds shall only take effect from the launch date of the relevant Fund.

- Where an individual investment policy of a Fund refers to investment in "developed" markets or countries, these are typically markets or countries which, on the basis of criteria such as economic wealth, development, liquidity and market accessibility are considered as more advanced or mature markets or countries. The markets and countries which may be classified as developed for a Fund are subject to change and may include, though are not limited to, countries and regions such as Australia, Canada, Japan, New Zealand, United States and Western Europe.

- Where an individual investment policy of a Fund refers to investment in "emerging" or "developing" markets or countries, these are typically markets of poorer or less developed countries which exhibit lower levels of economic and/or capital market development. The markets and countries which may be classified as emerging or developing for a Fund are subject to change and may include, though are not limited to, any country or region outside of Australia, Canada, Japan, New Zealand, United States and Western Europe.

- The UN Convention on Cluster Munitions became binding international law on 1 August 2010 and prohibits the use, production, acquisition or transfer of cluster munitions. The Investment Advisers on behalf of the Company accordingly arrange for the screening of companies globally for their corporate involvement in anti-personnel mines, cluster munitions and depleted uranium ammunition and armour. Where such corporate involvement has been verified, the Directors' policy is not to permit investment in securities issued by such companies by the Company and its Funds.

Risk Management
The Management Company is required by regulation to employ a risk management process in respect of the Funds, which enables it to monitor accurately and manage the global exposure from financial derivative instruments ("global exposure") which each Fund gains as a result of its strategy.

The Management Company uses one of two methodologies, the "Commitment Approach" or the "Value at Risk Approach" ("VaR"), in order to measure the global exposure of each of the Funds and manage the potential loss to them due to market risk. The methodology used in respect of each Fund is detailed below.

VaR Approach
The VaR methodology measures the potential loss to a Fund at a particular confidence (probability) level over a specific time period and under normal market conditions. The Management Company uses the 99% confidence interval and one month measurement period for the purposes of carrying out this calculation.

There are two types of VaR measure which can be used to monitor and manage the global exposure of a fund: "Relative VaR" and "Absolute VaR". Relative VaR is where the VaR of a Fund is divided by the VaR of an appropriate benchmark or reference portfolio, allowing the global exposure of a Fund to be compared to, and limited by reference to, the global exposure of the appropriate benchmark or reference portfolio. The regulations specify that the VaR of the Fund must not exceed twice the VaR of its benchmark. Absolute VaR is commonly used as the relevant VaR measure for absolute return style Funds, where a benchmark or reference portfolio is not appropriate for risk measurement purposes. The regulations specify that the VaR measure for such a Fund must not exceed 20% of that Fund's Net Asset Value.

In respect of those Funds that are measured using VaR, the Management Company uses Relative VaR to monitor and manage the global exposure of some of the Funds and Absolute VaR for others. The type of VaR measure used for each Fund is set out below and where this is Relative VaR the appropriate benchmark or reference portfolio used in the calculation is also disclosed.

Commitment Approach
The Commitment Approach is a methodology that aggregates the underlying market or notional values of financial derivative instruments to determine the degree of global exposure of a Fund to financial derivative instruments.

Pursuant to the 2010 Law, the global exposure for a Fund under the Commitment Approach must not exceed 100% of that Fund's Net Asset Value.

Leverage
A Fund's level of investment exposure (i.e. the combination of its instruments and cash) can in aggregate exceed its Net Asset Value due to the use of financial derivative instruments or borrowing (borrowing is only permitted in limited circumstances and not for investment purposes). Where a Fund's investment exposure exceeds its Net Asset Value this is known as leverage. The regulations require

that the Prospectus includes information relating to the expected levels of leverage in a Fund where VaR is being used to measure global exposure. The expected level of leverage of each of the Funds that is measured using VaR is set out below and expressed as a percentage of its Net Asset Value. The Funds may have higher levels of leverage in atypical or volatile market conditions for example when there are sudden movements in investment prices due to difficult economic conditions in a sector or region. In such circumstances the relevant Investment Adviser may increase its use of derivatives in a Fund in order to reduce the market risk which that Fund is exposed to, this in turn would have the effect of increasing its levels of leverage. For the purposes of this disclosure, leverage is the investment exposure gained through the use of financial derivative instruments. It is calculated using the sum of the notional values of all of the financial derivative instruments held by the relevant Fund, without netting. The expected level of leverage is not a limit and may vary over time.

BOND FUNDS

BlackRock Strategic Funds – BlackRock European Constrained Credit Strategies Fund

Investment Objective
The BlackRock European Constrained Credit Strategies Fund seeks to achieve a positive absolute return for investors regardless of market movements. The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.

The Fund will seek to gain at least 70% of its investment exposure through fixed income transferable securities and fixed income related securities (including derivatives) issued by, or giving exposure to, companies, governments and agencies either denominated in European currencies or of issuers domiciled in, or exercising the predominant part of their economic activity in Europe. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in fixed income transferable securities and fixed income related securities and, when determined appropriate, cash and near-cash instruments. Returns are sought through a diverse portfolio of relative value and directional positions in markets based on fundamental, credit-focussed, research and analysis. The Fund will not gain exposure to fixed income transferable securities rated CCC or below by accredited credit rating agencies, such as Moody's, Standard and Poor's and Fitch, at the time the exposure is gained. Currency exposures and interest rate risks are normally hedged.

In order to achieve the investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. It intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns.

Important Note
As a general rule, the Fund will invest in assets with a credit rating by accredited credit rating agencies such as Moody's, Standard & Poor's and Fitch. The required own assessment of credit risk may replace a credit rating by an accredited credit rating agency. However, the Fund must not invest in assets with a credit rating below B- by Standard & Poor's and Fitch or B3 by Moody's.

The Fund may invest in asset backed securities (structured financial instruments which are secured by receivables), credit linked notes (financial instruments connected with credit risks) and other investments the return or repayment of which is linked to credit risks or by means of which a third party's credit risks are transferred (a) regarding enterprises with registered office in an EEA member state or full member state of the OECD or (b) which are admitted to trading or admitted to another organised market or included in the latter or admitted to trading on an exchange in a state outside of the EEA area or admitted to another organised market in such state or included in such organised market (Asset Backed Securities) provided they have at least a credit rating of BBB- by Fitch and S&P or Baa3 by Moody's. Subject to concentration limits investments can be made also in assets that have at least a credit rating of B- by S&P and Fitch or B3 by Moody's (High Yield Bonds) provided the assets do not qualify as Asset Backed Securities.

Base Currency
Euro (EUR)

Type of Fund
Bond, Absolute Return

Valuation and Dealing
Dealings in shares of BlackRock European Constrained Credit Strategies Fund can normally be effected weekly on each Wednesday which is a Business Day ("Dealing Day"). In cases of such Wednesday not being Business Day, Shares may be purchased on the preceding Business Day. In addition, dealings may also be effected on the last Business Day in each month. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time, two Business Days prior to the Dealing Day (the "Cut-Off Point"). The prices applied will be those calculated in the afternoon of the relevant Dealing Day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock European Constrained Credit Strategies Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class I	0.00%	1.00%	0.00%	0.00%	20%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		**Type A – 3 month LIBOR (in Euro) (for Hedged Share Classes this Benchmark shall either be expressed in the currency of such Share Class or a substitute Benchmark shall be used as further specified in accordance with Appendix E).**			

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 400% of Net Asset Value.

BlackRock Strategic Funds – BlackRock European Credit Strategies Fund

Investment Objective
The BlackRock European Credit Strategies Fund seeks to achieve a positive absolute return for investors regardless of market movements. The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.

The Fund will seek to gain at least 70% of its investment exposure through fixed income transferable securities and fixed income related securities (including derivatives) issued by, or giving exposure to, companies, governments and agencies and denominated in European currencies or of issuers domiciled in, or exercising the predominant part of their economic activity in Europe. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in fixed income transferable securities and fixed income related securities and, when determined appropriate, cash and near-cash instruments. Returns are sought through a diverse portfolio of relative value and directional positions in markets based on fundamental, credit-focussed, research and analysis. Currency exposures and interest rate risks are normally hedged.

In order to achieve the investment objective and policy the Fund will invest in a variety of investment strategies and instruments. It intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns.

Base Currency
Euro (EUR)

Type of Fund
Bond, Absolute Return

Valuation and Dealing
Dealings in shares of BlackRock European Credit Strategies Fund can normally be effected weekly on each Wednesday which is a Business Day ("Dealing Day"). In cases of such Wednesday not being Business Day, Shares may be purchased on the preceding Business Day. In addition, dealings may also be effected on the last Business Day in each month. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time, two Business Days prior to the Dealing Day (the "Cut-Off Point"). The prices applied will be those calculated in the afternoon of the relevant Dealing Day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock European Credit Strategies Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class H	5.00%	1.50%	0.00%	0.00%	20%
Class I	0.00%	1.00%	0.00%	0.00%	20%
Class T	5.00%	0.95%	0.00%	0.00%	20%
Class U	5.00%	1.00%	0.00%	0.00%	20%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		**Type A – 3 month LIBOR (in Euro) (for Hedged Share Classes this Benchmark shall either be expressed in the currency of such Share Class or a substitute Benchmark shall be used as further specified in accordance with Appendix E).**			

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 400% of Net Asset Value.

BlackRock Strategic Funds – BlackRock Emerging Markets Flexi Dynamic Bond Fund

Investment Objective
The BlackRock Emerging Markets Flexi Dynamic Bond Fund seeks to maximise total return. The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.

The Fund will seek to gain at least 70% of its investment exposure through fixed income transferable securities and fixed income related securities (including derivatives), denominated in both emerging market and non-emerging market currencies, issued by, or giving exposure to, governments and agencies of, and companies domiciled in, or exercising the predominant part of their economic activity in, emerging markets.

The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in fixed income transferable securities (including non-investment grade), fixed income related securities, and cash and near-cash.

The asset allocation of the Fund is intended to be flexible and the Fund will maintain the ability to switch exposure as market conditions and other factors dictate. The currency exposure of the Fund is flexibly managed.

In order to achieve the investment objective and policy, the Fund will utilise a variety of investment strategies and instruments. In particular, the Fund will utilise investment strategies and instruments for the active management of interest rates and the flexible management of currency exposure which may be denominated in non-emerging market currencies. The Fund intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising returns.

Base Currency
US Dollar (USD)

Type of Fund
Bond, Total Return

Valuation and Dealing
Dealings in shares of the BlackRock Emerging Markets Flexi Dynamic Bond Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Emerging Markets Flexi Dynamic Fund	Initial	Management	Distribution	CDSC	Performance
Class A	5.00%	1.50%	0.00%	0.00%	0.00%
Class C	0.00%	1.50%	1.00%	1.00% to 0.00%	0.00%
Class D	5.00%	0.75%	0.00%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%

Risk management measure used: Absolute VAR

Expected level of leverage of the Fund: 450% of Net Asset Value

BlackRock Strategic Funds – BlackRock Fixed Income Strategies Fund

Investment Objective
The BlackRock Fixed Income Strategies Fund seeks to achieve positive total returns over a rolling three year cycle. The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.

The Fund will seek to gain at least 70% of its investment exposure through fixed income transferable securities and fixed income related securities (including derivatives) issued by, or giving exposure to, governments, agencies and / or companies worldwide. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in fixed income transferable securities and fixed income related securities, currency forwards and, when determined appropriate, cash and near-cash instruments. The asset allocation of the Fund is intended to be flexible and the Fund will maintain the ability to switch exposure as market conditions and other factors dictate. The currency exposure of the Fund is flexibly managed.

In order to achieve the investment objective and policy the Fund will invest in a variety of investment strategies and instruments. It intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns.

No more than 50% of the Fund's total assets may be invested in ABS and MBS whether investment grade or not. Within this limit, no more than 40% of the Fund's total assets may be invested in non-investment-grade fixed income securities including corporate bonds, ABS and MBS. 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.

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 "Special Risk Considerations".

Base Currency
Euro (EUR)

Type of Fund
Bond, Total Return

Valuation and Dealing
Dealings in shares of the BlackRock Fixed Income Strategies Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Fixed Income Strategies Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.00%	0.00%	0.00%	0.00%
Class C	0.00%	1.00%	1.00%	1.00% to 0.00%	0.00%
Class D	5.00%	0.60%	0.00%	0.00%	0.00%
Class E	3.00%	1.00%	0.50%	0.00%	0.00%
Class I	0.00%	0.60%	0.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%

Risk management measure used: Absolute VaR

Expected level of leverage of the Fund: 400% of Net Asset Value

BlackRock Strategic Funds – BlackRock Global Absolute Return Bond Fund

Investment Objective
The BlackRock Global Absolute Return Bond Fund seeks to achieve a positive absolute return for investors regardless of market movements. The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.

The Fund will seek to gain at least 70% of its investment exposure through fixed income transferable securities, fixed income related securities (including derivatives) issued by, or giving exposure to companies, governments and agencies worldwide. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in fixed income transferable securities, fixed income related securities and, when deemed appropriate, cash and near-cash instruments. The currency exposure of the Fund is flexibly managed.

In order to achieve the investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. In particular, the Fund will utilise strategies including the active management of interest rates and the flexible management of sector and currency exposure. The Fund intends to take full advantage of the ability to invest in derivatives providing both synthetic long and/or synthetic short positions with the aim of maximising positive returns.

Base Currency
Euro (EUR)

Type of Fund
Bond, Absolute Return

Valuation and Dealing
Dealings on shares of BlackRock Global Absolute Return Bond Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Global Absolute Return Bond Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.00%	0.00%	0.00%	10.00%
Class C	0.00%	1.00%	1.25%	1.00 to 0.00%	10.00%
Class D	5.00%	0.50%	0.00%	0.00%	10.00%
Class E	3.00%	1.00%	0.50%	0.00%	10.00%
Class I	0.00%	0.50%	0.00%	0.00%	10.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		Type A – 3 month EURIBOR (for Hedged Share Classes this Benchmark shall either be expressed in the currency of such Share Class or a substitute Benchmark shall be used as further specified in accordance with Appendix E).			

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 1000% of Net Asset Value.

This Fund has a higher gross leverage figure than many of the other Funds due to the fact that it operates fixed income investment strategies that are often executed using derivatives. Whilst these derivative-executed strategies may be diversified in terms of issuer, sector or currency, amongst other things, where the strategies are executed using derivatives they will inevitably create leverage because of the required calculation method i.e. leverage is the sum or gross notional exposure created by the derivatives used. In order to maximise the flexibility the Fund has to use derivatives to pursue its investment objectives, leverage is not adjusted to take account of any hedging or offsetting trades used to reduce market risk. Therefore the Fund's leverage may indicate the extent of derivatives use required at any point in time to pursue its investment objectives rather than its market risk.

EQUITY FUNDS

BlackRock Strategic Funds – BlackRock Americas Diversified Equity Absolute Return Fund

Investment Objective

The BlackRock Americas Diversified Equity Absolute Return Fund seeks to achieve a positive absolute return for investors regardless of market movements. The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.

The Fund will seek to gain at least 70% of its investment exposure through equities and equity-related securities (including derivatives) of, or giving exposure to, companies incorporated or listed in the United States, Canada and Latin America (the "Americas"). The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in equities and equity-related securities and, when determined appropriate, cash and near-cash instruments. The Fund will be highly diversified across the universe of equities in the Americas, whilst seeking to minimise net exposure to underlying equity markets within the region.

In order to achieve the investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. The main strategy which the Investment Adviser intends to pursue in order to assist it in achieving an absolute return is a market neutral strategy. This means it uses derivatives (synthetic short or synthetic long positions) to reduce or mitigate the directional market risk (i.e. the risk associated with the market moving in one direction, up or down) relating to the instruments it has exposure to (via long positions or synthetic positions). As the Fund seeks to be highly diversified it will make extensive use of derivatives; using them to gain investment exposure to instruments and at same time to mitigate the directional market risk of those instruments. It intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns. The main type of derivatives which the Fund will use is contracts for difference.

Base Currency

US Dollar (USD)

Type of Fund

Equity, Absolute Return

Valuation and Dealing

Dealings in shares of BlackRock Americas Diversified Equity Absolute Return Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Americas Diversified Equity Absolute Return Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.50%	0.00%	0.00%	20%
Class C	0.00%	1.50%	1.00%	1.00% to 0.00%	20%
Class D	5.00%	1.00%	0.00%	0.00%	20%
Class E	3.00%	1.50%	0.50%	0.00%	20%
Class I	0.00%	1.00%	0.00%	0.00%	20%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		Type A – 3 month LIBOR (in USD) (for Hedged Share Classes this Benchmark shall either be expressed in the currency of such Share Class or a substitute Benchmark shall be used as further specified in accordance with Appendix E).			

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 560% of Net Asset Value.

This Fund has a higher gross leverage figure than many of the other Funds due to the way in which it uses financial derivative instruments. As a result of its derivative usage this Fund may be more highly leveraged than other Funds which do not combine a diversified investment strategy with the aim of staying market neutral. Leverage, in this context is calculated as the sum of gross notional exposure created by the derivatives used.

BlackRock Strategic Funds – BlackRock Asia Extension Fund

Investment Objective
The BlackRock Asia Extension Fund seeks to maximise total returns through the use of an extension strategy.

Use of an extension strategy means that in addition to having up to 100% of the Fund's assets exposed to equity securities via long and/or synthetic long positions, the intention is that it will enter into synthetic short positions in order to achieve additional investment exposure. The proceeds from those synthetic short positions will be used to buy additional synthetic long positions (broadly in the same proportion as the short positions it holds).

The Fund will seek to gain at least 70% of its investment exposure to companies domiciled in, or exercising the predominant part of their economic activity in Asia (ex Japan). The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in equities and equity-related securities (including derivatives) and, when determined appropriate, cash and near-cash instruments.

In order to achieve the investment objective and policy the Fund will invest in a variety of investment strategies and instruments. It intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns.

Base Currency
US Dollar (USD)

Type of Fund
Equity, Extension Strategies

Valuation and Dealing
Dealings in shares of BlackRock Asia Extension Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Asia Extension Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.50%	0.00%	0.00%	20%
Class C	0.00%	1.50%	1.00%	1.00% to 0.00%	20%
Class D	5.00%	1.00%	0.00%	0.00%	20%
Class E	3.00%	1.50%	0.50%	0.00%	20%
Class I	0.00%	1.00%	0.00%	0.00%	20%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		Type B – MSCI All Country Asia ex Japan Index SM			

Risk management measure used: Relative VaR using – MSCI All Country Asia ex Japan Index as the appropriate benchmark.

Expected level of leverage of the Fund: 200% of Net Asset Value.

BlackRock Strategic Funds – BlackRock European Absolute Return Fund

Investment Objective
The BlackRock European Absolute Return Fund seeks to achieve a positive absolute return for investors regardless of market movements. The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.

The Fund will seek to gain at least 70% of its investment exposure through equities and equity- related securities (including derivatives) of, or giving exposure to, companies domiciled in, or exercising the predominant part of their economic activity in Europe. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in equities and equity-related securities and, when determined appropriate, cash and near-cash instruments.

In order to achieve the investment objective and policy the Fund will invest in a variety of investment strategies and instruments. It intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns.

Base Currency
Euro (EUR)

Type of Fund
Equity, Absolute Return

Valuation and Dealing
Dealings in shares of BlackRock European Absolute Return Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock European Absolute Return Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.50%	0.00%	0.00%	20%
Class C	0.00%	1.50%	1.00%	1.00% to 0.00%	20%
Class D	5.00%	1.00%	0.00%	0.00%	20%
Class E	3.00%	1.50%	0.50%	0.00%	20%
Class I	0.00%	1.00%	0.00%	0.00%	20%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		Type A – 3 month LIBOR (in Euro) (for Hedged Share Classes this Benchmark shall either be expressed in the currency of such Share Class or a substitute Benchmark shall be used as further specified in accordance with Appendix E).			

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 50% of Net Asset Value.

BlackRock Strategic Funds – BlackRock European Diversified Equity Absolute Return Fund

Investment Objective
The BlackRock European Diversified Equity Absolute Return Fund seeks to achieve a positive absolute return for investors regardless of market movements. The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.

The Fund will seek to gain at least 70% of its investment exposure through equities and equity-related securities (including derivatives) of, or giving exposure to, companies domiciled in, or exercising the predominant part of their economic activity in Europe. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in equities and equity-related securities and, when determined appropriate, cash and near-cash instruments. The Fund will be highly diversified across the universe of European equities, whilst seeking to minimise net exposure to underlying European equity markets.

In order to achieve the investment objective and policy the Fund will invest in a variety of investment strategies and instruments. The main strategy which the Investment Adviser intends to pursue in order to assist it in achieving an absolute return is a market neutral strategy. This means it uses derivatives (synthetic short or synthetic long positions) to reduce or mitigate the directional market risk (i.e. the risk associated with the market moving in one direction, up or down) relating to the instruments it has exposure to (via long positions or synthetic positions). As the Fund seeks to be highly diversified it will make extensive use of derivatives; using them to gain investment exposure to instruments and at same time to mitigate the directional market risk of those instruments. It intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns. The main type of derivatives which the Fund will use is contracts for differences.

Base Currency
Euro (EUR)

Type of Fund
Equity, Absolute Return

Valuation and Dealing
Dealings in shares of BlackRock European Diversified Equity Absolute Return Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock European Diversified Equity Absolute Return Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.50%	0.00%	0.00%	20%
Class C	0.00%	1.50%	1.00%	1.00% to 0.00%	20%
Class D	5.00%	1.00%	0.00%	0.00%	20%
Class E	3.00%	1.50%	0.50%	0.00%	20%
Class I	0.00%	1.00%	0.00%	0.00%	20%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		Type A – 3 month LIBOR (in Euro) (for Hedged Share Classes this Benchmark shall either be expressed in the currency of such Share Class or a substitute Benchmark shall be used as further specified in accordance with Appendix E).			

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 500% of Net Asset Value.

This Fund has a higher gross leverage figure than many of the other Funds due to the way in which it uses financial derivative instruments. As a result of its derivative usage this Fund may be more highly leveraged than other Funds which do not combine a diversified investment strategy with the aim of staying market neutral. Leverage, in this context is calculated as the sum of gross notional exposure created by the derivatives used .

BlackRock Strategic Funds – BlackRock European Opportunities Extension Fund

Investment Objective
The BlackRock European Opportunities Extension Fund seeks to maximise total returns through the use of an extension strategy.

Use of an extension strategy means that in addition to having up to 100% of the Fund's assets exposed to equity securities via long and/or synthetic long positions, the intention is that it will enter into synthetic short positions in order to achieve additional investment exposure. The proceeds from those synthetic short positions will be used to buy additional synthetic long positions (broadly in the same proportion as the short positions it holds).

The Fund will seek to gain at least 70% of its investment exposure to companies domiciled in, or exercising the predominant part of their economic activity in Europe. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in equities and equity-related securities (including derivatives) and, when determined appropriate, cash and near-cash instruments. At least 50% of the Fund's investment exposure will be to small and mid-capitalisation companies. Small and mid-capitalisation companies are considered companies which, at the time of purchase, form the bottom 30% by market capitalisation of European exchanges. The currency exposure of the Fund is flexibly managed.

In order to achieve the investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. It intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns.

Base Currency
Euro (EUR)

Type of Fund
Equity, Extension Strategies

Valuation and Dealing
Dealings in shares of BlackRock European Opportunities Extension Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock European Opportunities Extension Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.50%	0.00%	0.00%	20%
Class C	0.00%	1.50%	1.00%	1.00% to 0.00%	20%
Class D	5.00%	1.00%	0.00%	0.00%	20%
Class E	3.00%	1.50%	0.50%	0.00%	20%
Class I	0.00%	1.00%	0.00%	0.00%	20%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		Type B – S&P Europe BMI Index			

Risk management measure used: Relative VaR using S&P Europe BMI Index as the appropriate benchmark.

Expected level of leverage of the Fund: 140% of Net Asset Value.

BlackRock Strategic Funds – BlackRock Emerging Markets Absolute Return Fund

Investment objective
The BlackRock Emerging Markets Absolute Return Fund will seek to generate a positive absolute return regardless of market conditions through investment in emerging market equities and equity-related securities. The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.

The Fund will seek to gain at least 70% of its investment exposure to companies domiciled in, or exercising the predominant part of their economic activity in emerging markets. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in equities and equity-related securities (including derivatives) and, when determined appropriate, cash and near-cash instruments.

In order to achieve the investment objective and policy the Fund will invest in a variety of investment strategies and instruments. It intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns.

Base Currency
US Dollar (USD)

Type of Fund
Equity, Absolute Return

Valuation and Dealing
Dealings in shares of BlackRock Emerging Markets Absolute Return Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the “Cut-Off Point”) and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section “Dealing in Fund Shares”.

Fees and Expenses

BlackRock Emerging Markets Absolute Return Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.50%	0.00%	0.00%	20.00%
Class C	0.00%	1.50%	1.00%	1.00% to 0.00%	20.00%
Class D	5.00%	1.00%	0.00%	0.00%	20.00%
Class E	3.00%	1.50%	0.50%	0.00%	20.00%
Class I	0.00%	1.00%	0.00%	0.00%	20.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		Type A – 3 month LIBOR (in USD) (for Hedged Share Classes this Benchmark shall either be expressed in the currency of such Share Class or a substitute Benchmark shall be used as further specified in accordance with Appendix E).			

Risk management measure used: Absolute VaR

Expected level of leverage of the Fund: 150% of Net Asset Value

BlackRock Strategic Funds – BlackRock Global Event Driven Fund*

Investment Objective
The BlackRock Global Event Driven Fund seeks to achieve a positive absolute return for investors regardless of market movements. The Fund seeks to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures on a global basis.

Under normal market conditions, the Fund will seek to gain at least 70% of its investment exposure through equities and equity-related securities. The Fund may also invest in fixed income transferable securities (including non-investment grade fixed income transferable securities), fixed income-related securities, units of undertakings for collective investment (including Exchange Traded Funds), derivatives and when determined appropriate, cash and near-cash instruments. The Fund intends to take full advantage of the ability to invest in derivatives providing synthetic long and synthetic short positions with the aim of maximising positive absolute returns. The Fund may also invest up to 10% of its Net Asset Value in Distressed Securities. The asset allocation of the Fund is intended to be flexible and the Fund will maintain the ability to adjust its exposures as market conditions and other factors dictate. The currency exposure of the Fund is flexibly managed.

In order to achieve its investment objective and policy, the Fund will utilise a variety of investment strategies and instruments. In particular, the Fund will employ a fundamentally-driven investment process focussed on a broad spectrum of catalyst based investment opportunities. These catalysts range across a broad spectrum and include, but are not limited to, announced mergers and acquisitions, company offers, spinoffs and split-offs, financial and strategic restructuring and management changes.

Base Currency
US Dollar (USD)

Type of Fund
Equity, Absolute Return

Valuation and Dealing
Dealings in shares of BlackRock Global Event Driven Fund can normally be effected weekly on each Wednesday which is a Business Day ("Dealing Day"). In cases of such Wednesday not being Business Day, Shares may be purchased on the preceding Business Day. In addition, dealings may also be effected on the last Business Day in each month. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time, two Business Days prior to the Dealing Day (the "Cut-Off Point"). The prices applied will be those calculated in the afternoon of the relevant Dealing Day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Global Event Driven Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.50%	0.00%	0.00%	20.00%
Class C	0.00%	1.50%	1.00%	1.00% to 0.00%	20.00%
Class D	5.00%	1.00%	0.00%	0.00%	20.00%
Class E	3.00%	1.50%	0.50%	0.00%	20.00%
Class I	0.00%	1.00%	0.00%	0.00%	20.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Class Z	0.00%	up to 1.00%	0.00%	0.00%	up to 20.00%

Performance fee type and Benchmark: **Type A – BofA ML 3M USD Treasury Bill Index (for Hedged Share Classes this Benchmark shall either be expressed in the currency of such Share Class or a substitute Benchmark shall be used as further specified in accordance with Appendix E).**

Risk management measure used: Absolute VaR.

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

BlackRock Strategic Funds – BlackRock Global Long/Short Equity Fund

Investment Objective
The BlackRock Global Long/Short Equity Fund seeks to achieve a positive absolute return for investors regardless of market movements. The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.

The Fund will seek to gain at least 70% of its investment exposure through equities and equity-related securities (including derivatives) of, or giving exposure to, companies domiciled in, or exercising the predominant part of their economic activity in developed markets. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in equities and equity-related securities and, when determined appropriate, cash and near-cash instruments. The Fund will be highly diversified across the universe of global developed market securities, whilst seeking to generate returns with a low correlation to the global developed equity market.

In order to achieve the investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. The Fund intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns.

Base Currency
US Dollar (USD)

Type of Fund
Equity, Absolute Return

Valuation and Dealing
Dealings in shares of BlackRock Global Long/Short Equity Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the “Cut-Off Point”) and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section “Dealing in Fund Shares”.

Fees and Expenses

BlackRock Global Long/Short Equity Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.80%	0.00%	0.00%	0.00%
Class C	0.00%	1.80%	1.00%	1.00% to 0.00%	0.00%
Class D	5.00%	1.20%	0.00%	0.00%	0.00%
Class E	3.00%	1.80%	0.50%	0.00%	0.00%
Class I	0.00%	1.20%	0.00%	0.00%	0.00%
Class J	0.00%	1.50%	0.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 250% of Net Asset Value.

BlackRock Strategic Funds – BlackRock Latin American Opportunities Fund

Investment Objective
The BlackRock Latin American Opportunities Fund seeks to maximise total return.

The Fund will seek to achieve this investment objective through an investment of at least 70% of its total assets in equity and equity-related securities (including derivatives) of small and mid-capitalisation companies domiciled in, or exercising the predominant part of their economic activity in Latin America. Small and mid-capitalisation companies are considered companies which, at the time of purchase, form the bottom 30% by market capitalisation of Latin American exchanges.

Base Currency
US Dollar (USD)

Type of Fund
Equity, Total Return

Valuation and Dealing
Dealings in shares of BlackRock Latin American Opportunities Fund can normally be effected on the 15th day and the last Business Day in any month. In the event the 15th day of the month is not a Business Day, the preceding Business Day shall be a Dealing Day. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the “Cut-Off Point”) and the prices applied will be those calculated in the morning of the Business Day following the Dealing Day and normally published on the second Business Day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section “Dealing in Fund Shares”.

Fees and Expenses

BlackRock Latin American Opportunities Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	2.00%	0.00%	0.00%	20%
Class C	0.00%	2.00%	1.00%	1.00% to 0.00%	20%
Class D	5.00%	1.25%	0.00%	0.00%	20%
Class E	3.00%	2.00%	0.50%	0.00%	20%
Class I	0.00%	1.25%	0.00%	0.00%	20%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		Type B – MSCI Emerging Market Latin America			

Risk management measure used: Commitment Approach

BlackRock Strategic Funds – BlackRock Systematic European Equity Fund*

Investment Objective
The BlackRock Systematic European Equity Fund aims to achieve long-term capital growth.

The Fund will seek to achieve its investment objective by investing at least 80% of its total assets in shares of companies incorporated or listed in European developed market countries. The Fund may also invest in other transferable securities, derivatives, units in collective investment schemes, cash and near-cash instruments.

In order to achieve its investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. In particular, the Fund will use quantitative (i.e. mathematical or statistical) models in order to achieve a systematic (i.e. rule based) approach to stock selection. This means that stocks will be selected based on their expected contribution to portfolio returns when risk and transaction cost forecasts are taken into account.

Base Currency
Euro (EUR)

Type of Fund
Equity

Valuation and Dealing
Dealings in shares of BlackRock Systematic European Equity Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Systematic European Equity Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	0.80%	0.00%	0.00%	0.00%
Class C	0.00%	0.80%	1.00%	1.00% to 0.00%	0.00%
Class D	5.00%	0.40%	0.00%	0.00%	0.00%
Class E	3.00%	0.80%	0.50%	0.00%	0.00%
Class I	0.00%	0.40%	0.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Class Z	0.00%	up to 0.40%	0.00%	0.00%	0.00%

Risk management measure used: Commitment Approach

MIXED FUNDS

BlackRock Strategic Funds – BlackRock Euro Dynamic Diversified Growth Fund

Investment Objective
The BlackRock Euro Dynamic Diversified Growth Fund seeks to deliver long term capital growth with a low tolerance for capital loss.

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, derivatives, cash, deposits and money market instruments. The Fund has a flexible approach to asset allocation (which includes taking indirect exposure to commodities through investments in undertakings for collective investment, medium term notes, exchange traded funds and derivatives on commodity indices). 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.

The Fund will aim to achieve the policy described above mainly through investments in the units of UCITS and/or other UCIs.

Base Currency
Euro (EUR)

Type of Fund
Multi Asset

Valuation and Dealing
Dealings in shares of BlackRock Euro Dynamic Diversified Growth Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the morning of the Business Day following the Dealing Day and normally published on the second Business Day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Euro Dynamic Diversified Growth Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.25%	0.00%	0.00%	0.00%
Class C	0.00%	1.25%	1.00%	1.00% to 0.00%	0.00%
Class D	5.00%	0.65%	0.00%	0.00%	0.00%
Class E	3.00%	1.25%	0.50%	0.00%	0.00%
Class I	0.00%	0.65%	0.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 120% of Net Asset Value.

BlackRock Strategic Funds – BlackRock Emerging Markets Allocation Fund

Investment Objective
The Fund seeks to maximise total returns for investors.

The Fund will seek to gain at least 80% of its investment exposure to the full spectrum of permitted investments issued by, or giving exposure to, governments and agencies of, and companies domiciled in, or exercising the predominant part of their economic activity in, emerging markets.

The Fund will seek to achieve this investment objective by investing directly or indirectly in equities and equity-related securities, fixed income transferable securities (including non-investment grade) and fixed income-related securities (including derivatives in each case), units in collective investment schemes, and, when determined appropriate, cash and near-cash instruments. The asset allocation of the Fund is intended to be flexible and the Fund will maintain the ability to switch exposure as market conditions and other factors dictate. The currency exposure of the Fund is flexibly managed.

In order to achieve the investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. In particular, the Fund will use investment strategies and instruments for the active management of interest rates and the flexible management of currency exposure which may be denominated in non-emerging market currencies. In order to assist in achieving the investment objective of maximising total returns, and in order to manage volatility, the Fund also expects to invest in derivatives providing synthetic long and/or synthetic short positions

Base Currency
US Dollar (USD)

Type of Fund
Multi Asset, Total Return

Valuation and Dealing
Dealings in shares of the BlackRock Emerging Markets Allocation Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Emerging Markets Allocation Fund	Initial	Management	Distribution	CDSC	Performance
Class A	5.00%	1.50%	0.00%	0.00%	0.00%
Class C	0.00%	1.50%	1.00%	1.00% to 0.00%	0.00%
Class D	5.00%	0.75%	0.00%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%

Risk management measure used: Relative VAR using 60% MSCI Emerging Markets Index / 40% JPM Emerging Markets Bond Index Plus as the appropriate benchmark.

Expected level of leverage of the Fund: 200% of Net Asset Value

BlackRock Strategic Funds – BlackRock Multi-Strategy Absolute Return Fund

Investment Objective
The BlackRock Multi-Strategy Absolute Return Fund seeks to achieve a positive absolute return for investors regardless of market movements.

The Fund will seek to invest globally in the full spectrum of permitted investments including equities, fixed income transferable securities (rated at or above B- by an accredited credit rating agency, such as Moody's, Standard and Poor's and Fitch, at the time the exposure is gained), units of undertakings for collective investment, derivatives, cash, deposits and money market instruments. The Fund seeks to be highly diversified across the spectrum of permitted investments. The asset allocation of the Fund is intended to be flexible and the Fund will maintain the ability to adjust exposures as market conditions and other factors dictate. The currency exposure of the Fund is flexibly managed.

In order to achieve the investment objective and policy, the Fund will utilise a variety of investment strategies and instruments. The Fund intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns.

Important Note
As a general rule, the Fund will invest in assets with a credit rating by accredited credit rating agencies such as Moody's, Standard & Poor's and Fitch. The required own assessment of credit risk may replace a credit rating by an accredited credit rating agency. However, the Fund must not invest in assets with a credit rating below B- by Standard & Poor's and Fitch or B3 by Moody's.

The Fund may invest in asset backed securities (structured financial instruments which are secured by receivables), credit linked notes (financial instruments connected with credit risks) and other investments the return or repayment of which is linked to credit risks or by means of which a third party's credit risks are transferred (a) regarding enterprises with registered office in an EEA member state or full member state of the OECD or (b) which are admitted to trading or admitted to another organised market or included in the latter or admitted to trading on an exchange in a state outside of the EEA area or admitted to another organised market in such state or included in such organised market (Asset Backed Securities) provided they have at least a credit rating of BBB- by Fitch and S&P or Baa3 by Moody's. Subject to concentration limits investments can be made also in assets that have at least a credit rating of B- by S&P and Fitch or B3 by Moody's (High Yield Bonds) provided the assets do not qualify as Asset Backed Securities.

Base Currency
Euro (EUR)

Type of Fund
Multi Asset, Absolute Return

Valuation and Dealing
Dealings in shares of BlackRock Multi-Strategy Absolute Return Fund can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time, two Business Days prior to the Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Multi-Strategy Absolute Return Fund	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.25%	0.00%	0.00%	24.00%
Class D	5.00%	0.75%	0.00%	0.00%	24.00%
Class I	0.00%	0.75%	0.00%	0.00%	24.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Performance fee type and Benchmark:		**Type A – 3 month LIBOR (in Euro) (for Hedged Share Classes this Benchmark shall either be expressed in the currency of such Share Class or a substitute Benchmark shall be used as further specified in accordance with Appendix E).**			

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 600% of Net Asset Value.

This Fund has a higher gross leverage figure than many of the other Funds due to the way in which it uses financial derivative instruments. As a result of its derivative usage this Fund may be more highly leveraged than other Funds which do not combine a diversified investment strategy with the aim of staying market neutral. Leverage, in this context is calculated as the sum of gross notional exposure created by the derivatives used.

FUND OF FUNDS

BlackRock Strategic Funds – BlackRock Managed Index Portfolios – Defensive*

Investment Objective
The BlackRock Managed Index Portfolios – Defensive aims to deliver a total return, which is a combination of capital growth and income, commensurate with a defensive level of risk.

The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments.

Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions and the asset allocations are expected to vary over time. The currency exposure of the Fund is flexibly managed.

There can be no guarantee that the Fund will attain a defensive level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 2%-5%, however, the Fund's risk profile may fall outside the stated range from time to time.

Base Currency
Euro (EUR)

Type of Fund
Fund of Funds

Valuation and Dealing
Dealings in shares of BlackRock Managed Index Portfolios – Defensive can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Managed Index Portfolios – Defensive	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.00%	0.00%	0.00%	0.00%
Class D	5.00%	0.37%	0.00%	0.00%	0.00%
Class E	3.00%	1.00%	0.50%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Class Z	0.00%	up to 0.37%	0.00%	0.00%	0.00%

Risk management measure used: Commitment Approach

BlackRock Strategic Funds – BlackRock Managed Index Portfolios – Moderate*

Investment Objective
The BlackRock Managed Index Portfolios – Moderate aims to deliver a total return, which is a combination of capital growth and income, commensurate with a moderate level of risk.

The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments.

Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions and the asset allocations are expected to vary over time. The currency exposure of the Fund is flexibly managed.

There can be no guarantee that the Fund will attain a moderate level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 5%-10%, however, the Fund's risk profile may fall outside the stated range from time to time.

Base Currency
Euro (EUR)

Type of Fund
Fund of Funds

Valuation and Dealing
Dealings in shares of BlackRock Managed Index Portfolios – Moderate can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Managed Index Portfolios – Moderate	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.00%	0.00%	0.00%	0.00%
Class D	5.00%	0.37%	0.00%	0.00%	0.00%
Class E	3.00%	1.00%	0.50%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Class Z	0.00%	up to 0.37%	0.00%	0.00%	0.00%

Risk management measure used: Commitment Approach

BlackRock Strategic Funds – BlackRock Managed Index Portfolios – Growth*

Investment Objective
The BlackRock Managed Index Portfolios – Growth aims to deliver a total return, which is a combination of capital growth and income, commensurate with a relatively high level of risk.

The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments.

Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions and the asset allocations are expected to vary over time. The currency exposure of the Fund is flexibly managed.

There can be no guarantee that the Fund will attain a relatively high level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 10%-15%, however, the Fund's risk profile may fall outside the stated range from time to time.

Base Currency
Euro (EUR)

Type of Fund
Fund of Funds

Valuation and Dealing
Dealings in shares of BlackRock Managed Index Portfolios – Growth can normally be effected daily. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the "Cut-Off Point") and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. Please see Section "Dealing in Fund Shares".

Fees and Expenses

BlackRock Managed Index Portfolios – Growth	Initial Charge	Management Fee	Distribution Fee	CDSC	Performance Fee
Class A	5.00%	1.00%	0.00%	0.00%	0.00%
Class D	5.00%	0.37%	0.00%	0.00%	0.00%
Class E	3.00%	1.00%	0.50%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%	0.00%
Class Z	0.00%	up to 0.37%	0.00%	0.00%	0.00%

Risk management measure used: Commitment Approach

Summary of Subscription Procedure and Payment Instructions

1. **Application Form**
   For initial subscriptions for Shares you must complete the application form which may be obtained from the Transfer Agent or the local Investor Servicing teams and the form must be signed by all joint applicants. Subsequent subscriptions may be made in writing or by fax and the Management Company may, at its sole discretion, accept individual dealing orders submitted via other forms of electronic communication, stating your registration details and the amount to be invested. If your application is being submitted by your professional adviser, section 6 of the application form should be completed. Completed application forms must be sent to the Transfer Agent or the local Investor Servicing teams.

2. **Money Laundering Prevention**
   Please read the notes on the application form regarding the identification documents required and ensure that you provide these to the Transfer Agent or the local Investor Servicing teams together with your application form.

3. **Payment**
   A copy of your telegraphic transfer instructions should be supplied with your application (see sections 4 and 5 below).

4. **Payment by Telegraphic Transfer**
   Payment by SWIFT/bank transfer in the relevant currency should be made to one of the accounts opposite. The SWIFT/bank transfer instruction should contain the following information:

   (i) Bank Name
   (ii) SWIFT Code or Bank Identifier
   (iii) Account (IBAN)
   (iv) Account Number
   (v) Account Reference – "BSF – Fund name subscribed into, BSF account number or contract reference number"
   (vi) By order of [shareholder name/agent name & shareholder number/agent number]

   An applicant's obligation to pay for Shares is fulfilled once the amount due has been paid in cleared funds into this account.

5. **Foreign Exchange**
   If you wish to make payment in a currency other than that in the Dealing Currency (or one of the Dealing Currencies) of your chosen Fund, this must be made clear at the time of application.

A

US Dollars:
JP Morgan Chase New York
SWIFT code CHASUS33
For the account of: BlackRock (Channel Islands) Limited
Account Number 001-1-460185, CHIPS UID 359991
ABA Number 021000021
Quoting Reference "Contract Reference Number or Account Number or Name of Fund and Name of Applicant"

B

Euros:
JP Morgan Frankfurt
SWIFT code CHASDEFX, BLZ 501 108 00
For the account of: BlackRock (Channel Islands) Limited
Account Number (IBAN) DE40501108006161600066
(formerly 616-16-00066)
Quoting Reference "Contract Reference Number or Account Number or Name of Fund and Name of Applicant"

C

Sterling:
JP Morgan London
SWIFT code CHASGB2L, Sort Code 60-92-42
For the account of: BlackRock (Channel Islands) Limited
Account Number (IBAN) GB07CHAS60924211118940
(formerly 11118940)
Quoting Reference "Contract Reference Number or Account Number or Name of Fund and Name of Applicant"

Others:

Australian Dollars:
Pay ANZ National Bank Limited Sydney
SWIFT code ANZBAU3M
In Favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB56CHAS60924224466325
Quoting Reference "Contract Reference Number or Account Number or Name of Fund and Name of Applicant"

Note: The normal dealing provisions apply to AUD denominated Share Classes (where available) (see "Dealing in Fund Shares"). Should AUD denominated Share Class holders instruct the Transfer Agent on the last Business Day of June in each year (the "Annual Redemption Day") their holdings in the AUD denominated Share Class shall be redeemed on that Annual Redemption Day. Whilst on all other Dealing Days the Cut-Off Point shall apply to dealing orders, the notice to redeem AUD denominated Share Classes on the Annual Redemption Day must be received by the Registrar and Transfer Agent no later than 10 Business Days prior to the Annual Redemption Day, subject to the discretion of the Directors to reduce or waive such period of notice. Investors should contact the Management Company prior to submitting any such notice to redeem, to confirm what redemption/subscription arrangements are available.

Hong Kong Dollars:
Pay JP Morgan Hong Kong
SWIFT code CHASHKHH
In Favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB24CHAS60924224466319
(formerly 24466319)
Quoting Reference "Contract Reference Number or Account Number or Name of Fund and Name of Applicant"

Japanese Yen:
Pay JP Morgan Tokyo
SWIFT code CHASJPJT
In Favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB69CHAS60924222813405
(formerly 22813405)
Quoting Reference "Contract Reference Number or Account Number or Name of Fund and Name of Applicant"

New Zealand Dollars:
Pay Westpac Banking Corporation Wellington
SWIFT code WPACNZ2W
In Favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB83CHAS60924224466324
Quoting Reference "Contract Reference Number or Account Number or Name of Fund and Name of Applicant"

Singapore Dollars:
Pay Overseas Chinese Banking Corp Ltd
SWIFT code OCBCSGSG
In Favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB13CHAS60924224466323
Quoting Reference "Contract Reference Number or Account Number or Name of Fund and Name of Applicant"

Swedish Kroner:
Pay Svenska Handelsbanken Stockholm
SWIFT code HANDSESS
In Favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB80CHAS60924222813401
(formerly 22813401)
Quoting Reference "Contract Reference Number or Account Number or Name of Fund and Name of Applicant"

Swiss Francs:
Pay UBS Zürich
SWIFT code UBSWCHZH80A
In Favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB56CHAS60924217354770
(formerly 17354770)
Quoting Reference "Contract Reference Number or Account Number or Name of Fund and Name of Applicant"

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