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If you are in any doubt about the contents of this Prospectus or whether an investment in BlackRock Institutional Pooled Funds plc (the "Company") is suitable for you, you should consult your stockbroker, solicitor, accountant or other independent financial adviser. The Directors of the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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**BLACKROCK  
INSTITUTIONAL POOLED FUNDS plc**

**(An umbrella investment company with variable capital  
and having segregated liability between its Funds  
incorporated with limited liability in Ireland  
under registration number 362108)**

**PROSPECTUS**

**BlackRock Global Enhanced Index Fund\*  
BlackRock Euro Core Bond Fund\*  
BlackRock Euro Government Bond Fund  
BlackRock Global Equity Focus Fund\*  
BlackRock Japan Equity 1 Fund  
BlackRock Europe Equity 1 Fund  
BlackRock US Midcap Equity 1 Fund\*  
BlackRock Tailored Market Advantage Fund\*  
BlackRock Sustainable Global Allocation Tailored Fund**

**MANAGER**

**BlackRock Asset Management Ireland Limited**

**\*This Fund is closed to new investment and is in the process of being terminated.**

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This Prospectus replaces the Prospectus dated 8 December 2023.

The Directors do not anticipate that an active secondary market will develop on any Shares (as defined herein).

The date of this Prospectus is 12 July 2024.

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**THIS PROSPECTUS CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY. THIS PROSPECTUS, AND THE KIID OR KID FOR THE RELEVANT FUND, SHOULD EACH BE READ CAREFULLY AND IN ITS ENTIRETY BEFORE INVESTING.**

## **Structure**

The Company is an open-ended investment company with variable capital and having segregated liability between its Funds organised under the laws of Ireland. It qualifies and is authorised in Ireland by the Central Bank of Ireland (the "Central Bank") as a UCITS for the purposes of the Regulations. The Company has an "umbrella" structure and Shares are currently available in four Funds, the BlackRock Euro Government Bond Fund, the BlackRock Japan Equity 1 Fund, the BlackRock Europe Equity 1 Fund and the BlackRock Sustainable Global Allocation Tailored Fund (each a "Fund" and together the "Funds" where the context requires). Each Fund is in turn divided into a number of Classes. The current Classes of the Funds are as follows:

<b>Fund</b>	<b>Class</b>
<b>BlackRock Euro Government Bond Fund</b>	Class A Shares Class X Shares Class A (US\$ Hedged) Shares Class X (US\$ Hedged) Shares Class A (£ Hedged) Shares Class X (£ Hedged) Shares Class A (CHF Hedged) Shares Class X (CHF Hedged) Shares
<b>BlackRock Japan Equity 1 Fund</b>	Class A Shares Class A (US\$ Hedged) Shares Class A (€ Hedged) Shares Class A (£ Hedged) Shares Class A Distributing Shares Class A (US\$ Hedged) Distributing Shares Class A (€ Hedged) Distributing Shares Class A (£ Hedged) Distributing Shares Class X Shares Class X (US\$ Hedged) Shares Class X (€ Hedged) Shares Class X (£ Hedged) Shares Class X Distributing Shares Class X (US\$ Hedged) Distributing Shares Class X (€ Hedged) Distributing Shares Class X (£ Hedged) Distributing Shares Class J Shares Class J Distributing Shares Class J (US\$ Unhedged) Distributing Shares Class J (US\$ Hedged) Shares Class J (US\$ Hedged) Distributing Shares Class J (€ Unhedged) Distributing Shares

Class J (€ Hedged) Shares  
Class J (€ Hedged) Distributing Shares  
Class J (£ Unhedged) Distributing Shares  
Class J (£ Hedged) Shares  
Class J (£ Hedged) Distributing Shares

**BlackRock Europe Equity 1 Fund**

Class A Shares  
Class A Distributing Shares  
Class X Shares  
Class X Distributing Shares  
Class J Shares  
Class J Distributing Shares

**BlackRock Sustainable Global Allocation Tailored Fund**

Class A (US\$ Unhedged) Shares  
Class A (US\$ Unhedged) Distributing Shares  
Class A11 (US\$ Unhedged) Distributing Shares  
Class A (€ Unhedged) Shares  
Class A (€ Unhedged) Distributing Shares  
Class A11 (€ Unhedged) Distributing Shares  
Class A (€ Hedged) Shares  
Class A (€ Hedged) Distributing Shares  
Class A11 (€ Hedged) Distributing Shares  
Class A (CZK Hedged) Shares  
Class A (CZK Hedged) Distributing Shares  
Class A11 (CZK Hedged) Distributing Shares  
Class X (US\$ Unhedged) Shares  
Class X (US\$ Unhedged) Distributing Shares  
Class X11 (US\$ Unhedged) Distributing Shares  
Class X (€ Unhedged) Shares  
Class X (€ Unhedged) Distributing Shares  
Class X11 (€ Unhedged) Distributing Shares  
Class X (€ Hedged) Shares  
Class X (€ Hedged) Distributing Shares  
Class X11 (€ Hedged) Distributing Shares  
Class X (CZK Hedged) Shares  
Class X (CZK Hedged) Distributing Shares  
Class X11 (CZK Hedged) Distributing Shares  
Class J (US\$ Unhedged) Shares  
Class J (US\$ Unhedged)

Distributing Shares  
Class J (€ Unhedged) Shares  
Class J (€ Unhedged) Distributing  
Shares  
Class J (€ Hedged) Shares  
Class J (€ Hedged) Distributing  
Shares  
Class J (CZK Hedged) Shares  
Class J (CZK Hedged) Distributing  
Shares

The respective rights of each of the said Classes are set out on pages 19 to 23. This Prospectus contains particulars of the offering of Shares in each of the Funds. The offer proceeds will be invested by the Company in accordance with the investment objectives for the Funds contained in this Prospectus, as amended from time to time.

The Directors may create new Funds with the prior approval of the Central Bank or issue further Classes in accordance with the UCITS Requirements. A separate Supplement (as defined below) relating to Shares of any new Class or comprising any new Fund or a revision of this Prospectus incorporating provisions relating to any new Class/Fund may be issued by the Directors at the time of the establishment of that Class or Fund. Any Supplement shall form part of and should be read in conjunction with this Prospectus.

#### **Central Bank Authorisation**

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

The offer or invitation of Shares is regulated under the laws of Ireland relating to undertakings for collective investment and is subject to the supervision of the Central Bank. The contact details of the Central Bank are as follows:

Address: New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3, Ireland  
Telephone No.: (+353) 1 224 4000  
Facsimile No.: (+353) 1 478 2196

#### **Listing on the Irish Stock Exchange**

Details of the Classes which are currently listed on the Irish Stock Exchange are set out on page 25.

Neither the admission of Classes to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange nor the approval of this document pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with the Company, the adequacy of the information contained in this document or the suitability of the Company for investment purposes.

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

## **Investment Risks**

Investors should read and consider the section entitled "Risk Factors" before investing in Shares of the Company.

## **Selling Restrictions**

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe such restrictions.

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

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

Potential investors should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, citizenship, residence, ordinary residence or domicile for the acquisition of Shares;
- (b) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition, redemption, switch or sale of Shares; and
- (c) the income tax and other taxation consequences which might be relevant to the acquisition, holding, redemption, switch or disposal of Shares.

Shares may not be purchased or held by or on behalf of a US Person. If a Shareholder currently resident outside the US becomes resident in the US (and consequently comes within the definition of a US Person) that Shareholder will be required to redeem its Shares.

### Canada

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

### Germany

Notification for distribution of Shares in the Federal Republic of Germany has been made according to Sec. 310 of the German Capital Investment Act (Kapitalanlagegesetzbuch) for BlackRock Institutional Pooled Funds plc. Therefore, the Shares of the Company are permitted for distribution in the Federal Republic of Germany.

### Japan

For Japanese investors: no registration pursuant to article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan (the "FIEA"; law no. 25 of 1948, as amended) has been made or will be made with respect to the solicitation of offers to acquire the shares on the ground that article 2, paragraph 3, item 2-(i) thereof (the "Qualified Institutional Investor Private Placement") applies to such solicitation. The shares may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to a

resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with such law and other relevant laws and regulations. A purchaser may not transfer such shares to any resident of Japan other than another Qualified Institutional Investor as defined under the FIEA. No investment management report will be provided in accordance with the investment trust and investment corporation act of Japan (the "Investment Trust Act"; law no. 198 of 1951, as amended) in relation to the Company.

For the purpose of this memorandum, "resident of Japan" means a natural person having his/her place of domicile or residence in Japan, or a juridical person having its main office in Japan. a branch, agency or other office in Japan of a non-resident, irrespective of whether it is legally authorized to represent its principal or not, shall be deemed to be a resident of Japan even if its main office is in any country other than Japan. Resident of Japan shall exclude non-residents of Japan, as such term is defined in item 6, paragraph 1, article 6 of the foreign exchange and foreign trade act of Japan (act no. 228 of 1949, as amended).

#### The Netherlands

The Company is an Irish undertaking for collective investment in transferable securities (instelling voor collectieve belegging in effecten) within the meaning of EU Directive 2009/65/EC. It is registered with the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten) in order to allow for distribution to the general public in the Netherlands of the BlackRock Euro Government Bond Fund. The Company is not subject to any form of supervision of the Dutch Authority for the Financial Markets or any other Dutch regulatory authority.

#### The Kingdom of Saudi Arabia (the "Kingdom")

This document may not be distributed in the Kingdom except to such persons as are permitted under the Investment Funds Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities to be offered. If you do not understand the contents of this document, you should consult an authorised financial adviser.

#### **Marketing Rules**

Shares are offered only on the basis of the information contained in this Prospectus (as may be amended from time to time) the latest audited annual accounts and any subsequent half-yearly report. These reports will form part of this Prospectus and distribution of this Prospectus is not authorised unless it is accompanied by these reports.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. Neither the delivery of this Prospectus (whether or not accompanied by the reports) nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus has not changed since the date of this Prospectus. Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland, which may be subject to change.

It is intended that application will be made in relevant jurisdictions (where necessary and appropriate) to enable the Shares of the Funds to be marketed in those jurisdictions. Accordingly, this Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, the English language Prospectus will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the prospectus on which such action is based shall prevail.

Shares in the Company are and will continue to be made widely available. Each Fund is available for investment by the general public but is intended for institutional investors and will be marketed and made widely available in a manner appropriate to attract these investors.

In respect of those Funds that track a benchmark index, or are managed by reference to a benchmark index, or use a benchmark index to compute a performance fee, the Company works with the applicable benchmark administrators for the benchmark indices of such Funds to confirm that the benchmark administrators and, where relevant, the Benchmark Indices are, or intend to be, included in the Benchmarks Regulation Register.

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

As at the date of this Prospectus, the benchmark administrators of the Benchmark Indices of the relevant Funds namely, BlackRock Japan Equity 1 Fund and BlackRock Europe Equity 1 Fund are not included in the Benchmarks Regulation Register and do not have the relevant Benchmark Indices listed in the Benchmarks Regulation Register as required under the Benchmarks Regulation. The benchmark administrators continue to provide Benchmark Indices on the basis of the transition period provided under the Benchmarks Regulation. It is expected that these benchmark administrators will file an application for recognition as benchmark administrators or an endorsement of the relevant Benchmark Indices in advance of the end of the transition period, in accordance with the Benchmarks Regulation requirements. The Manager will monitor the Benchmarks Regulation Register and, if there are any changes, this information will be updated in the Prospectus at the next opportunity. The Company has in place and maintains robust written plans setting out the actions that it would take in the event that a benchmark is materially changed or ceases to be provided. Pursuant to these written plans, where the Company is notified by the benchmark administrator of a material change or cessation of a benchmark index, the Company will assess the impact of a material change to the benchmark index on the relevant Fund and, where it determines appropriate or in the event of the cessation of a benchmark index, consider substituting another index for the benchmark index. Prior Shareholder approval will be sought in advance where a change of the benchmark index constitutes a change to the investment objective and/or a material change to the investment policy of a Fund. Where the Company is unable to substitute another index for the benchmark index, the Directors may resolve to seek the winding up of the Fund to the extent reasonable and practicable.

## DATA PROTECTION

***Prospective investors and investors are referred to the privacy notice of the Company and the Manager, which is provided as an addendum to the Application Form (the "Privacy Notice").***

***The Privacy Notice explains, among other things, how the Company and the Manager processes personal data about individuals who invest in the Funds or apply to invest in the Funds and personal data about the directors, officers, employees and ultimate beneficial owners of institutional investors.***

***The Privacy Notice may be updated from time to time. The latest version of the Privacy Notice is available at [www.blackrock.com](http://www.blackrock.com).***

***If you would like further information on the collection, use, disclosure, transfer or processing of your personal data or the exercise of any of the rights in relation to personal data as set out in the Privacy Notice, please address questions and requests to: The Data Protection Officer, BlackRock, 12 Throgmorton Avenue, London, EC2N 2DL.***

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## DEFINITIONS

*"Accumulating Share Classes"*, those Share Classes which are listed under the section "Structure" in this Prospectus that do not have "Distributing" designated in their title.

*"Administration Agreement"*, the agreement dated 30 September 2010 made between the Manager and the Administrator, as may be amended from time to time.

*"Administrator"*, J.P. Morgan Administration Services (Ireland) Limited, or such other person or persons as may be appointed, with the prior approval of the Central Bank, to provide administration services to the Company.

*"ADRs"*, American depository receipts.

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

*"Application Form"*, such application form prescribed by the Directors in relation to the Company.

*"Articles"*, the Articles of Association of the Company as amended from time to time.

*"Auditors"*, Deloitte Ireland LLP, Dublin, or such other persons as may be appointed.

*"Base Currency"*, in the case of any Fund means the currency in which the Fund is denominated as may be amended from time to time by the Directors in accordance with the UCITS Requirements and in the case of the BlackRock Euro Government Bond Fund and the BlackRock Europe Equity 1 Fund means Euro, in the case of the BlackRock Japan Equity 1 Fund means Yen and in the case of the BlackRock Sustainable Global Allocation Tailored Fund means US Dollars.

*"Base Share Class"*, a Share Class in a Fund which is not a Hedged Share Class and which has a Valuation Currency that is the same as the Base Currency of the Fund. A Base Share Class could be either Distributing or Accumulating.

*"Benchmark Index"*, where applicable in respect of a Fund, the index against which the return of the Fund will be measured.

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

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

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

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

*"Business Day"*, in relation to the BlackRock Euro Government Bond Fund, any day normally treated as a bank business day in both Dublin and London;

in relation to the BlackRock Japan Equity 1 Fund, any day on which the relevant markets are open in Dublin, London and the country in which the Funds invest;

in relation to BlackRock Europe Equity 1 Fund, any day on which the relevant markets are open for business in Dublin, London, France, Germany and Switzerland;

in relation to BlackRock Sustainable Global Allocation Tailored Fund, any day normally treated by the banks in Ireland as a business day;

and in respect of any Funds, provided the relevant markets in London are open for a full day, such other day or days as the Directors may determine and notify in advance to Shareholders.

*"Canadian Resident"*, a person resident in Canada for the purposes of Canadian income tax legislation.

*"Central Bank"*, the Central Bank of Ireland or any successor thereof.

*"Central Bank Requirements"*, the conditions imposed by the Central Bank on funds authorised as UCITS for the purposes of the Regulations, as same may be amended or replaced from time to time, including (for the avoidance of doubt) the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

*"CFETS"*, the China Foreign Exchange Trade System & National Funding Centre.

*"China A Shares"*, securities of companies that are incorporated in the PRC and denominated and traded in Renminbi on the Shanghai and Shenzhen Stock Exchanges.

*"ChinaClear"*, means China Securities Depository and Clearing Corporation Limited which is the PRC's central securities depository in respect of China A Shares.

*"Class"*, such class of Shares in a Fund as the Directors may from time to time designate, the current classes in respect of each of the Funds being those as set out under the section headed "Structure" on pages 2 to 4.

*"Class 11 Shares"*, Class A11 (US\$ Unhedged) Distributing Shares, Class A11 (€ Unhedged) Distributing Shares, Class A11 (€ Hedged) Distributing Shares, Class A11 (CZK Hedged) Distributing Shares, Class X11 (US\$ Unhedged) Distributing Shares, Class X11 (€ Unhedged) Distributing Shares, Class X11 (€ Hedged) Distributing Shares and Class X11 (CZK Hedged) Distributing Shares.

*"Class A Shares"*, Class A Shares, Class A (US\$ Unhedged) Shares, Class A (€ Unhedged) Shares, Class A (US\$ Hedged) Shares, Class A (€ Hedged) Shares, Class A (£ Hedged) Shares, Class A (CHF Hedged) Shares, Class A (JPY Hedged) Shares, Class A (JPY) Shares, Class A (CZK Hedged) Shares, Class A Distributing Shares, Class A (US\$ Unhedged) Distributing Shares, Class A11 (US\$ Unhedged) Distributing Shares, Class A (€ Unhedged) Distributing Shares, Class A11 (€ Unhedged) Distributing Shares, Class A (US\$ Hedged) Distributing Shares, Class A (€ Hedged) Distributing Shares, Class A11 (€ Hedged) Distributing Shares, Class A (£ Hedged) Distributing Shares, Class A (CZK Hedged) Distributing Shares and Class A11 (CZK Hedged) Distributing Shares,.

*"Class X Shares"*, Class X Shares, Class X (US\$ Unhedged) Shares, Class X (€ Unhedged) Shares, Class X (US\$ Unhedged) Distributing Shares, Class X11 (US\$ Unhedged) Distributing Shares, Class X (US\$ Hedged) Shares, Class X (€ Hedged) Shares, Class X (€ Unhedged) Distributing Shares, Class X11 (€ Unhedged) Distributing Shares, Class X (€) Shares, Class X (£ Hedged) Shares, Class X (CHF) Shares, Class X (CZK Hedged) Shares, Class X (CZK Hedged) Distributing Shares, Class X11 (CZK Hedged) Distributing Shares, Class X (JPY Hedged) Shares, Class X (JPY) Shares, Class X Distributing Shares, Class X (US\$ Hedged) Distributing Shares, Class X (€ Hedged) Distributing Shares, Class X11 (€ Hedged) Distributing Shares and Class X (£ Hedged) Distributing Shares.

*"Class J Shares"*, Class J Shares, Class J (US\$ Unhedged) Shares, Class J (US\$ Unhedged) Distributing Shares, Class J (€ Unhedged) Shares, Class J (€ Unhedged) Distributing Shares, Class J (CZK Hedged) Shares, Class J (CZK Hedged) Distributing Shares, Class J (US\$ Hedged) Shares, Class J (€ Hedged) Shares, Class J (£ Hedged) Shares, Class J Distributing Shares, Class J (US\$ Hedged) Distributing Shares, Class J (€ Hedged) Distributing Shares, Class J (£ Unhedged) Distributing Shares and Class J (£ Hedged) Distributing Shares.

*"Client Agreement"*, an agreement between the Investment Manager, or an Affiliate, and an investor setting out the fees/expenses payable by the investor in respect of its investments in Class X Shares.

"Company", BlackRock Institutional Pooled Funds plc, an open-ended investment company with variable capital organised under the laws of Ireland.

"CSRC", China Securities Regulatory Commission.

"Cut-Off Time", in the case of the Funds, the point in time on each Dealing Day up until which subscriptions, switches and redemptions will be accepted for execution on that Dealing Day, being 12 noon (Irish time) in the case of the BlackRock Euro Government Bond Fund, 2.30pm one Business Day prior to the Dealing Day in the case of the BlackRock Japan Equity 1 Fund, and 11.00am in the case of BlackRock Sustainable Global Allocation Tailored Fund and BlackRock Europe Equity 1 Fund or in any case, for any Fund, such other time as the Directors may determine, provided always that such time is before the Valuation Point.

"Czech Koruna" or "CZK", means the Czech Koruna, the lawful currency for the time being of the Czech Republic.

"Czech Koruna Share Classes", Class A (CZK Hedged) Shares, Class A (CZK Hedged) Distributing Shares, Class A11 (CZK Hedged) Distributing Shares, Class J (CZK Hedged) Shares, Class J (CZK Hedged) Distributing Shares, Class X (CZK Hedged) Shares, Class X (CZK Hedged) Distributing Shares and Class X11 (CZK Hedged) Distributing Shares, in the BlackRock Sustainable Global Allocation Tailored Fund.

"Dealing Currency", the currencies in which investors may elect to subscribe for Shares and be paid their redemption proceeds, as specified on the Application Form, being Euro, Sterling, US Dollar and Yen in the case of the BlackRock Euro Government Bond Fund;

being Euro, Yen, US Dollar and Sterling in the case of the BlackRock Japan Equity 1 Fund; and

being Euro, Sterling and US Dollar in the case of the BlackRock Europe Equity 1 Fund; and

being US Dollar, Euro and Czech Koruna in the case of the BlackRock Sustainable Global Allocation Tailored Fund;

using, where relevant, such currency exchange rate as is available to the Administrator at the time of conversion with any currency fluctuations at the risk of the investor.

"Dealing Day", such Business Day as the Directors may from time to time determine and notify in advance to Shareholders in relation to Shares of any Fund and which, in respect of the Shares of the Funds, shall be each Business Day, provided always that there shall be at least two Dealing Days in each calendar month (other than one falling within a period during which valuations are suspended).

"Depositary", J.P. Morgan SE - Dublin Branch, or such other person as may be appointed, with the prior approval of the Central Bank, to act as depositary to the Company.

"Depositary and Custodian Agreement", the agreement dated 30 September 2010 between the Depositary and the Company, as amended by the Supplemental Depositary and Custodian Agreement dated 13 October 2016.

"Developed Market Countries", means the countries which are included in the Morgan Stanley Capital International World Index which as at the date of this Prospectus comprised the following developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

"Dilution", means the reduction in the value of Shareholders' holdings as a result of the difference between the price at which a Fund's underlying assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption and the costs of dealing in a Fund's underlying assets (together referred to as Duties and Charges).

"Directive", Directive No. 2009/65/EC of the European Parliament and of the Council of 13 July 2009 as amended by Directive No. 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as may be amended or replaced.

"Directors", the Directors of the Company or any duly authorised committee thereof.

"Distribution Agreement", the agreement effective as of 18 January 2016 between BlackRock Investment Management (UK) Limited, the Company and the Manager, as may be amended from time to time.

"Distributing Share Classes", Class 11 Shares, Class A Distributing Shares; Class A (US\$ Unhedged) Distributing Shares; Class A (€ Unhedged) Distributing Shares; Class A (US\$ Hedged) Distributing Shares; Class A (€ Hedged) Distributing Shares; Class A (£ Hedged) Distributing Shares, Class A (CZK Hedged) Distributing Shares, Class X Distributing Shares, Class X (US\$ Unhedged) Distributing Shares, Class X (€ Unhedged) Distributing Shares, Class X (US\$ Hedged) Distributing Shares, Class X (£ Hedged) Distributing Shares, Class X (€ Hedged) Distributing Shares, Class X (CZK Hedged) Distributing Shares, Class J Distributing Shares, Class J (US\$ Unhedged) Distributing Shares, Class J (€ Unhedged) Distributing Shares, Class J (£ Unhedged) Distributing Shares, Class J (US\$ Hedged) Distributing Shares, Class J (€ Hedged) Distributing Shares, Class J (£ Hedged) Distributing Shares and Class J (CZK Hedged) Distributing Shares.

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

"EEA", means the European Economic Area being at the date of this Prospectus, the Member States, Norway, Iceland and Liechtenstein.

"Emerging Market Countries", means countries which are not Developed Market Countries.

"EMU" means the European Economic and Monetary Union.

"ESG", the "environmental, social and governance" criteria, which are three central factors used in measuring the sustainability and ethical impact of an investment in securities of an issuer. By way of example, "environmental" may cover themes such as climate risks and natural resources scarcity, "social" may include labour issues and product liability risks such as data security and "governance" may encompass items such as business ethics and executive pay. These are only examples and do not necessarily determine the policy of the relevant Fund. Investors should refer to the investment policy of the relevant Fund and the section entitled "ESG Integration", including the website referred to in the section entitled "ESG Integration", for more detailed information.

"Euro" or "€", the single European currency unit introduced on 1 January 1999.

"Euro Share Classes", Class A Shares and Class X Shares in the BlackRock Euro Government Bond Fund,

Class A (€ Hedged) Shares, Class A (€ Hedged) Distributing Shares, Class X (€ Hedged) Shares, Class X (€ Hedged) Distributing Shares, Class J (€ Hedged) Shares, Class J (€ Hedged) Distributing Shares and Class J (€ Unhedged) Distributing Shares in the BlackRock Japan Equity 1 Fund,

Class A Shares, Class A Distributing Shares, Class X Shares, Class X Distributing Shares, Class J Shares, Class J Distributing Shares in the BlackRock Europe Equity 1 Fund, and Class A (€ Unhedged) Shares, Class A (€ Unhedged) Distributing Shares, Class A11 (€ Unhedged) Distributing Shares, Class A (€ Hedged) Shares, Class A (€ Hedged) Distributing Shares, Class A11 (€ Hedged) Distributing Shares, Class X (€ Unhedged) Shares, Class X (€ Unhedged) Distributing Shares, Class X11 (€ Unhedged) Distributing Shares, Class X (€ Hedged) Shares, Class X (€ Hedged) Distributing Shares, Class X11 (€ Hedged) Distributing Shares, Class J (€ Unhedged) Shares, Class J (€ Unhedged) Distributing Shares, Class J (€ Hedged) Shares and Class J (€ Hedged) Distributing Shares in the BlackRock Sustainable Global Allocation Tailored Fund.

"FCA", the Financial Conduct Authority or any successor thereto.

"FCA Rules", the rules made from time to time by the FCA in the UK or any relevant successor body or bodies.

"FDIs", financial derivative instruments.

"Fund", a fund of assets established (with the prior approval of the Central Bank) for one Class or more of Shares which is invested in accordance with the investment objectives applicable to such Fund.

"GDNs", global depositary notes.

"GDRs", global depositary receipts.

"Hedged Share Classes", Class A (US\$ Hedged) Shares, Class A (US\$ Hedged) Distributing Shares, Class X (US\$ Hedged) Shares, Class J (US\$ Hedged) Shares, Class X (US\$ Hedged) Distributing Shares, Class J (US\$ Hedged) Distributing Shares, Class A (€ Hedged) Shares, Class X (€ Hedged) Shares, Class J (€ Hedged) Shares, Class A (€ Hedged) Distributing Shares, Class A11 (€ Hedged) Distributing Shares, Class X (€ Hedged) Distributing Shares, Class X11 (€ Hedged) Distributing Shares, Class J (€ Hedged) Distributing Shares, Class A (£ Hedged) Shares, Class X (£ Hedged) Shares, Class A (£ Hedged) Distributing Shares, Class X (£ Hedged) Distributing Shares, Class J (£ Hedged) Shares, Class J (£ Hedged) Distributing Shares, Class A (CHF Hedged Shares), Class X (CHF Hedged) Shares, Class A (JPY Hedged) Shares, Class X (JPY Hedged) Shares, Class A (CZK Hedged) Shares, Class A (CZK Hedged) Distributing Shares, Class A11 (CZK Hedged) Distributing Shares, Class J (CZK Hedged) Shares, Class J (CZK Hedged) Distributing Shares, Class X (CZK Hedged) Shares, Class X (CZK Hedged) Distributing Shares and Class X11 (CZK Hedged) Distributing Shares.

"HKEX", Hong Kong Exchanges and Clearing Limited.

"HKSCC", Hong Kong Securities Clearing Company Limited.

"Index Funds" Funds of the Company which seek to track, on a replicating or non-replicating basis, the performance of a Benchmark Index and which are, as at the date of the Prospectus, BlackRock Japan Equity 1 Fund and BlackRock Europe Equity 1 Fund.

"Initial Offer Period", any period set by the Directors in relation to any Fund as the period during which Shares of any Class of such Fund are initially on offer (which period can be extended or shortened by the Directors and notified to the Central Bank).

"Investment", any investment authorised by the Memorandum of Association of the Company which is permitted by the Regulations and the Articles.

"Investment Management Agreement", the agreement dated 8 January 2003 as novated to the Manager by Deed of Novation dated 30 September 2010 between BlackRock Investment Management (Dublin) Limited, the Manager and the Investment Manager, as may be amended from time to time.

"Investment Manager", BlackRock Investment Management LLC, and/or such other person or persons as may be appointed, in accordance with the UCITS Requirements, to provide investment management services to the Company.

"*Irish Stock Exchange*", the Irish Stock Exchange plc.

"*JPY*" or "*Yen*", the lawful currency of Japan.

"*KIID*" or "*KID*", the key investor information document issued in respect of each Fund pursuant to either the Regulations or the PRIIPs Regulation, as may be amended from time to time.

"*Management Agreement*", the agreement dated 30 September 2010 made between the Company and the Manager, as may be amended from time to time.

"*Manager*", BlackRock Asset Management Ireland Limited, a private company limited by shares and incorporated in Ireland.

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

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

"*Minimum Holding*", a holding of Shares of any Fund or Class having an aggregate value of such minimum amount as is set out on pages 21 to 23 and 85, or as may be determined from time to time by the Directors.

"*Minimum Redemption*", a minimum redemption for Shares of any Fund or Class as set out on pages 24 and 87, or as may be determined from time to time by the Directors.

"*Minimum Subscription*", a minimum subscription (whether initial or subsequent) for Shares of any Fund or Class as set out on pages 21 to 23 and 84 to 85, or as may be determined from time to time by the Directors.

"*Net Asset Value*" or "*NAV*", in respect of any Fund or Class within a Fund, the net asset value of Shares determined in accordance with the Articles. For further details, see pages 81 to 82 and 111 to 114.

"*Net Asset Value per Share*", the Net Asset Value divided by the number of Shares of the relevant Fund or Class in issue or deemed to be in issue where there is more than one Class in the Fund and being the price at which Shares can be subscribed and redeemed.

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

"*PBOC*", People's Bank of China.

"*PRC*", the People's Republic of China.

"*PRIIPs Regulation*", Regulation (EU) No.1286/2014 of the European Parliament and of the Council of 26 November 2014 as may be amended or replaced.

"*Principal Adverse Impacts (PAIs)*", the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

"*Principal Distributor*", BlackRock Investment Management (UK) Limited, a company incorporated in England.

"*Prospectus*", this document as it may be amended from time to time together with, where the context requires or implies, any supplement or addendum.

"*Qualified Holder*", any person, corporation or entity other than: (i) a person or entity which acquires Class X Shares without first entering into a Client Agreement; (ii) a Shareholder whose Client Agreement has terminated for any reason whatsoever; (iii) a US Person; (iv) any person, corporation or entity which cannot acquire or hold Shares without violating laws or regulations applicable to it; (v) any person, corporation or entity which cannot acquire or hold Shares without jeopardising tax exemptions associated with the Company or without exposing the Company or its Shareholders to adverse tax or regulatory consequences; or (vi) a custodian, nominee or trustee for any person, corporation or entity described in (i) to (v) above.

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

"*Regulations*", European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended by European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as may be amended or replaced.

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

"*RSRO*", means a recognised statistical rating organisation such as Moody's or Standard and Poor's.

"*SEHK*", the Stock Exchange of Hong Kong.

"*Share*", a share of no par value in the capital of the Company issued in accordance with the Articles and with the rights provided for under the Articles.

"*SFDR*", Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

"*Share Class*", such class of Shares as the Directors may, from time to time designate.

"*Shareholder*", the registered holder of a Share.

"*Special Resolution*", shall have the meaning given to it by Section 169 of the Companies Act 2014 of Ireland.

"*SSE*", the Shanghai Stock Exchange.

"*Sterling*" or "*£*", the lawful currency of the United Kingdom.

"*Sterling Share Classes*", Class A (£ Hedged) Shares, Class A (£ Hedged) Distributing Shares, Class X (£ Hedged) Shares, Class X (£ Hedged) Distributing Shares, Class J (£ Hedged) Shares, Class J (£ Hedged) Distributing Shares and Class J (£ Unhedged) Distributing Shares in BlackRock Japan Equity 1 Fund and

Class A (£ Hedged) Shares and Class X (£ Hedged) Shares in the BlackRock Euro Government Bond Fund.

"*Stock Connect*", the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect.

"*Stock Connect Funds*", Funds that invest in China A Shares on the SSE or SZSE via the Stock Connect.

"*Subscriber Shares*", shares of €1 each in the capital of the Company designated as "Subscriber Shares" in the Articles and held by or on behalf of the Manager for the purposes of incorporating the Company.

"*Sub-Investment Advisers*", BlackRock Investment Management (UK) Limited, BlackRock Financial Management, Inc., BlackRock Investment Management (Australia) Limited, BlackRock Japan Co.



Limited, BlackRock (Singapore) Limited, and/or such other person or persons as may be appointed in accordance with the UCITS Requirements, to provide investment advisory services to the Company.

"*Supplement*", any document issued by the Company, expressed to be a supplement to this Prospectus.  
"*Sustainable Investment*", an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

"*Swiss Franc*" or "*CHF*", the lawful currency of Switzerland.

"*Swiss Franc Share Classes*", Class A (CHF Hedged) Shares and Class X (CHF Hedged) Shares in the BlackRock Euro Government Bond Fund.

"*SZSE*", the Shenzhen Stock Exchange.

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

"*Valuation Currency*", in respect of a Class, the currency in which a class of Shares is priced by the Administrator and in which such Shares are denominated.

"*UCITS*", Undertaking for Collective Investment in Transferable Securities established pursuant to the Directive, as may be amended or replaced from time to time.

"*UCITS Requirements*", the Regulations and/or the Central Bank Requirements.

"*UN Global Compact*", the voluntary global initiative, with membership based on CEO commitments to implement sustainability principles and support United Nations goals.

"*United Kingdom*" and "*UK*", the United Kingdom of Great Britain and Northern Ireland.

"*United States*" and "*US*", the United States of America, its territories, possessions, any State of the United States and the District of Columbia.

"*US Dollar*" or "*US\$*", the lawful currency of the United States.

"*US Dollar Share Classes*", Class A (US\$ Hedged) Shares and Class X (US\$ Hedged) Shares in the BlackRock Euro Government Bond Fund,

Class A (US\$ Hedged) Shares, Class A (US\$ Hedged) Distributing Shares, Class X (US\$ Hedged) Shares, Class X (US\$ Hedged) Distributing Shares, Class J (US\$ Unhedged) Distributing Shares, Class J (US\$ Hedged) Shares, Class J (US\$ Hedged) Distributing Shares in BlackRock Japan Equity 1 Fund and

Class A (US\$ Unhedged) Shares, Class A (US\$ Unhedged) Distributing Shares, Class A11 (US\$ Unhedged) Distributing Shares, Class X (US\$ Unhedged) Shares, Class X (US\$ Unhedged) Distributing Shares, Class X11 (US\$ Unhedged) Distributing Shares, Class J (US\$ Unhedged) Shares, Class J (US\$ Unhedged) Distributing Shares in the BlackRock Sustainable Global Allocation Tailored Fund.

"*US Person*", any US resident or other person specified in Regulation S under the US Securities Act of 1933 as amended, which definition may be further supplemented by resolution of the Directors from time to time.

"*Valuation Point*", such time as the Directors may determine in the case of any Fund and in respect of the Funds, the close of business on the markets relevant to its Investments or such other time on each Dealing Day as may be determined by the Directors.

"*Yen Share Classes*", Class A Shares, Class A Distributing Shares, Class X Shares, Class X Distributing Shares, Class J Shares and Class J Distributing Shares in Blackrock Japan Equity 1 Fund.

## DIRECTORY

### Directors

Barry O'Dwyer  
Tom McGrath  
Nicola Grenham  
Francis Drought

### Registered Office

J.P. Morgan  
200 Capital Dock  
79 Sir John Rogerson's Quay  
Dublin 2  
D02 RK57  
Ireland

### Manager

BlackRock Asset Management  
Ireland Limited  
1st Floor  
2 Ballsbridge Park  
Ballsbridge  
Dublin 4  
D04 YW83  
Ireland

### Depository

J.P. Morgan SE - Dublin  
Branch  
J.P. Morgan  
200 Capital Dock  
79 Sir John Rogerson's Quay  
Dublin 2  
D02 RK57  
Ireland

### Administrator, Registrar and Transfer Agent

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

### Investment Manager

BlackRock Investment  
Management LLC  
1 University Square Drive  
Princeton, NJ 08540-6455  
USA

### Principal Distributor

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

### Secretary

Apex Group Corporate  
Administration Services Ireland  
Limited  
4th Floor  
76 Baggot Street Lower  
Dublin 2  
Ireland

### Legal Advisers to the Company

William Fry LLP  
2 Grand Canal Square  
Dublin 2  
Ireland

### Auditors

Deloitte Ireland LLP  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

### Sponsoring Broker

J & E Davy  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

## SUMMARY INFORMATION

The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus and in the Articles, which should be read by prospective investors prior to making any decision to invest.

### The Company

The Company is an open-ended investment company with variable capital and having segregated liability between its Funds. It has an umbrella fund structure. It is incorporated in Ireland as a public limited company and has been authorised as a UCITS. Shares are currently available in respect of four Funds, the BlackRock Euro Government Bond Fund, the BlackRock Japan Equity 1 Fund, the BlackRock Europe Equity 1 Fund and the BlackRock Sustainable Global Allocation Tailored Fund. The assets of each Fund will be invested in accordance with the investment objectives and policies applicable to that Fund. Each Fund will constitute a separate sub-fund within the Company's umbrella fund structure. Particulars in relation to each Fund are set out in this Prospectus.

### Classes

Each Fund is in turn divided into different Share Classes. The current Share Classes are set out under the section headed "Structure" on pages 2 to 4.

#### *Class A Shares and Class J Shares*

Class A Shares and Class J Shares are available to all investors, save that, subject to the discretion of the Manager, Class A Shares of the BlackRock Sustainable Global Allocation Tailored Fund are available through specific distributors selected by the Manager. Class A Shares and Class J Shares are available in registered form ("Registered Shares") only. Management, administration and custody fees accrue daily based on the Net Asset Value attributable to Class A Shares and Class J Shares.

#### *Class X Shares*

Class X Shares are only available to those investors who have entered into a Client Agreement. Class X Shares are only available as Registered Shares. Administration and custody fees accrue daily based on the Net Asset Value attributable to Class X Shares. No management fees are payable out of the assets of the Company in respect of Class X Shares. Instead, Shareholders of Class X Shares will be subject to a fee with regard to their investment in a Fund based on the agreement between themselves and the Investment Manager or an Affiliate. The Investment Manager or an Affiliate will pay from this fee any management fees attributable to Class X Shares of the Company and the Company shall not be liable for such management fees.

#### *Hedged Share Classes*

With respect to the Hedged Share Classes, it is the intention of the Investment Manager or its delegates to employ techniques and instruments intended to provide protection against exposure to currency fluctuation risk in particular against movements of the currency in which the Hedged Share Classes are denominated against movements in the Base Currency of the relevant Funds. Although the Company intends to utilise such currency hedging transactions in respect of the Hedged Share Classes, it shall not be obliged to do so and, to the extent that it does employ strategies aimed at hedging the Hedged Share Classes and the exposure to the Base Currency, there can be no assurances that such strategies will be effective. To the extent that the Company does not employ strategies aimed at hedging the Hedged Share Classes, such Classes will be subject to exchange rate risk in relation to the Base Currency of the relevant Fund.

All gains and losses which may be made by the Hedged Share Classes as a result of such hedging transactions together with the costs of such transactions will accrue to the relevant Class or Classes. The Hedged Share Classes will only be leveraged as a result of such exposure to the extent permitted by the Central Bank as set out below. The currency of each Hedged Share Class will be hedged to the Base Currency of the respective Fund to the extent that the value of the hedges in each Hedged Share Class shall not exceed 105% of the Net Asset Value of the relevant Hedged Share Class

or fall short of 95% of the portion of the Net Asset Value of the relevant Hedged Share Class which is to be hedged against currency risk. All such transactions will be clearly attributable to the relevant Hedged Share Class and the currency exposures of the different Hedged Share Classes will not be combined or offset. The Investment Manager or its delegates do not intend to have under-hedged or over-hedged positions, however due to market movements and factors outside the control of the Investment Manager or its delegates, under-hedged and over-hedged positions arise from time to time. The Investment Manager or its delegates will limit hedging to the extent of the relevant Hedged Share Class's currency exposure and shall monitor such hedging to ensure that such hedging shall not: (a) exceed 105% of the Net Asset Value of the relevant Hedged Share Class; and (b) fall short of 95% of the portion of the Net Asset Value of the relevant Hedged Share Class which is to be hedged against currency risk. The Investment Manager or its delegates will review hedged positions at each Valuation Point to ensure that over-hedged positions or under-hedged positions do not exceed or fall short of the permitted levels set out above and shall ensure that any such position stays within the permitted position levels and is not carried forward from month to month. In the event that the hedging in respect of a Hedged Share Class exceeds or falls short of the permitted levels due to market movements or redemptions of Shares, the Investment Manager or its delegates shall reduce or increase such hedging appropriately as soon as possible thereafter.

For Hedged Share Classes the performance of the Share Class will be shown against the Benchmark Index, not a hedged version of the Benchmark Index.

#### *General*

Title to Registered Shares is evidenced by entry on the Company's register of Shareholders. Shareholders will receive written confirmation notes of their transactions and written statements confirming ownership. Share certificates will not be issued.

Global Certificates are not currently available, but Shareholders will be advised if it is intended to introduce them at a later date.

#### **Share Rights**

The Shares of each Class in a Fund will rank *pari passu* with all other Shares of any other Class in the same Fund and income and capital will be attributed equally to Shareholders of whatever Class proportionate to their participation in the Fund. However, Classes may be issued which may differ as to their dividend entitlement, currency of denomination, the level of fees and expenses to be charged to each Class and the Minimum Subscriptions, Minimum Holdings and Minimum Redemptions applicable to each Class.

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

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

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

#### **Management of the Company**

The Company's assets are managed by BlackRock Asset Management Ireland Limited which has appointed BlackRock Investment Management LLC as Investment Manager. The Investment Manager has appointed BlackRock Investment Management (UK) Limited, BlackRock Financial Management, Inc., BlackRock Investment Management (Australia) Limited, BlackRock Japan Co. Limited and BlackRock (Singapore) Limited as Sub-Investment Advisers.

## Dealing Day

The Dealing Days for the Funds shall be each Business Day, provided always that there shall be at least two Dealing Days in each calendar month (other than one falling within a period during which valuations are suspended).

## Subscriptions, Switches and Redemptions

Shareholders may subscribe for, switch or redeem Shares in the Funds at the relevant Net Asset Value per Share on any Dealing Day. Settlement will normally be effected in the Shareholder's chosen Dealing Currency or, with the prior approval of the Manager, a portfolio of securities (i.e. in specie).

## Minimum Subscriptions/Holdings

The Minimum Subscription and Minimum Holding amounts for the Funds are as shown in the table below or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine:

Name of Fund	Class	Minimum Subscription on initial investment/Minimum Holdings
BlackRock Euro Government Bond Fund	Class A, Class X	€1,000,000
	Class A (US\$ Hedged)	\$1,000,000
	Class X (US\$ Hedged)	
	Class A (£ Hedged)	£1,000,000
	Class X (£ Hedged)	
	Class A (CHF Hedged) Class X (CHF Hedged)	CHF1,000,000
BlackRock Japan Equity 1 Fund	Class A Shares	US\$1,000,000
	Class A (US\$ Hedged) Shares	
	Class A (€ Hedged) Shares	
	Class A (£ Hedged) Shares	
	Class A Distributing Shares	
	Class A (US\$ Hedged) Distributing Shares	
	Class A (€ Hedged) Distributing Shares	
	Class A (£ Hedged) Distributing Shares	
	Class X Shares	
	Class X (US\$ Hedged) Shares	
	Class X (€ Hedged) Shares	
	Class X (£ Hedged) Shares	
	Class X Distributing Shares	
	Class X (US\$ Hedged) Distributing Shares	

Name of Fund	Class	Minimum Subscription on initial investment/Minimum Holdings
	Class X (€ Hedged) Distributing Shares Class X (£ Hedged) Distributing Shares	
	Class J Class J Distributing Shares Class J (US\$ Unhedged) Distributing Shares Class J (US\$ Hedged) Distributing Shares Class J (US\$ Hedged) Distributing Shares Class J (€ Unhedged) Distributing Shares Class J (€ Hedged) Distributing Shares Class J (€ Hedged) Distributing Shares Class J (£ Unhedged) Distributing Shares Class J (£ Hedged) Shares Class J (£ Hedged) Distributing Shares	US\$1,000,000,000
BlackRock Europe Equity 1 Fund	Class A Shares Class A Distributing Shares Class X Shares Class X Distributing Shares	US\$1,000,000
	Class J Class J Distributing Shares	US\$1,000,000,000
BlackRock Sustainable Global Allocation Tailored Fund	Class A (US\$ Unhedged) Shares Class A (US\$ Unhedged) Distributing Shares Class A11 (US\$ Unhedged) Distributing Shares Class A (€ Unhedged) Shares Class A (€ Unhedged) Distributing Shares Class A11 (€ Unhedged) Distributing Shares Class A (€ Hedged) Shares Class A (€ Hedged) Distributing Shares Class A11 (€ Hedged) Distributing Shares	US\$5,000

Name of Fund	Class	Minimum Subscription on initial investment/Minimum Holdings
	Class A (CZK Hedged) Shares Class A (CZK Hedged) Distributing Shares Class A11 (CZK Hedged) Distributing Shares	
	Class X (US\$ Unhedged) Shares Class X (US\$ Unhedged) Distributing Shares Class X11 (US\$ Unhedged) Distributing Shares Class X (€ Unhedged) Shares Class X (€ Unhedged) Distributing Shares Class X11 (€ Unhedged) Distributing Shares Class X (€ Hedged) Shares Class X (€ Hedged) Distributing Shares Class X11 (€ Hedged) Distributing Shares Class X (CZK Hedged) Shares Class X (CZK Hedged) Distributing Shares Class X11 (CZK Hedged) Distributing Shares	US\$1,000,000
	Class J (US\$ Unhedged) Shares Class J (US\$ Unhedged) Distributing Shares Class J (€ Unhedged) Shares Class J (€ Unhedged) Distributing Shares Class J (€ Hedged) Shares Class J (€ Hedged) Distributing Shares Class J (CZK Hedged) Shares Class J (CZK Hedged) Distributing Shares	US\$1,000,000,000

The Minimum Subscription amount for additional subscriptions in the BlackRock Euro Government Bond Fund is €10,000, US\$10,000, £10,000 or CHF10,000, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Subscription amount for additional subscriptions in the BlackRock Japan Equity 1 Fund and BlackRock Europe Equity 1 Fund is JPY equivalent of US\$10,000 or €10,000 per Fund, as appropriate, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Subscription amount for additional subscriptions in the BlackRock Sustainable Global Allocation Tailored Fund is US\$10,000, €10,000 or the Czech Koruna equivalent of US\$10,000 in respect of the X and J Share Classes and US\$1,000, €1,000 or the Czech Koruna equivalent of US\$1,000 in respect of the A Share Classes depending on the relevant Dealing Currency or such other amounts as the Directors may determine.

If the Minimum Holding is not met, the Shares may be compulsorily redeemed by the Directors.

### **Minimum Redemptions**

The Minimum Redemption amount for the BlackRock Euro Government Bond Fund is €10,000, US\$10,000, £10,000 or CHF10,000, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Redemption amount for the BlackRock Japan Equity 1 Fund and BlackRock Europe Equity 1 Fund is JPY equivalent of US\$10,000 or €10,000 per Fund, as appropriate, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Redemption amount for the BlackRock Sustainable Global Allocation Tailored Fund is US\$10,000, €10,000 or the Czech Koruna equivalent of US\$10,000 in respect of the X and J Share Classes and US\$1,000, €1,000 or the Czech Koruna equivalent of US\$1,000 in respect of the A Share Classes depending on the relevant Dealing Currency, or such other amounts as the Directors may determine.

### **Switching between Funds and Classes**

Shareholders may switch between Funds and Classes by way of redemption (i.e. a sale) of Shares in one Fund or Class and subscription (i.e. a purchase) for Shares in any other Fund or Class being offered at that time, as long as the necessary documentation has been completed. The Directors may impose a charge on a Shareholder of up to 1% of the Net Asset Value of the Shares switched however it is not their current intention to do so.

### **Compulsory Switching or Transfer of Shares**

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

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

Where the Directors:

- (a) become aware that Class X Shares are directly or beneficially owned by any person who is not a Qualified Holder by virtue of the fact that they have acquired Shares in the relevant Class without first entering into a Client Agreement; or
- (b) shall in their absolute discretion consider that any Class X Shares are held by a Shareholder whose Client Agreement has terminated for any reason whatsoever,

the Directors may, in addition to the options of redemption and transfer as set out above, direct the Shareholder to switch his Shares to another Class of the same Fund, that is not a Class X, in default of which, the Shareholder shall, on the expiration of 30 days from the giving of such notice, be deemed to



have given a request in writing for the Shares to be switched to such Class as the Directors may deem most appropriate for such Shareholder.

### **Prices**

The Net Asset Value per Share of each Share Class is determined as at the Valuation Point after the Cut-Off Time for the Dealing Day concerned, is quoted in the Dealing Currency of the relevant Share Class and will be available from the Administrator.

### **Investor Restrictions**

The Shares may not be offered or sold in any jurisdiction in which such offer or sale is not lawful or in which the person making such offer or sale is not qualified to do so or to anyone to whom it is unlawful to make such offer or sale. Shares may not be purchased or held by or on behalf of a US Person. If a Shareholder currently resident outside the US becomes resident in the US (and consequently comes within the definition of a US Person) that Shareholder will be required to redeem its Shares.

### **Taxation**

As the Company is an investment undertaking, the Company is not subject to Irish tax on its gains or income and the Company will not be required to account for any Irish tax in respect of Shareholders who are not Irish Resident and not ordinarily resident in Ireland for taxation purposes. The Company may be required to account for Irish tax in respect of Shareholders who are Irish Resident or ordinarily resident in Ireland for tax purposes. No Irish stamp duty or capital duty is payable on subscriptions for Shares or on transfers, switches or redemptions of such Shares.

### **Listing**

The following Share Classes have been admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange:

- the Class A Shares of the BlackRock Euro Government Bond Fund (listed on 22 July 2014)

### **Fiscal Year-End**

30 September.

## BLACKROCK INSTITUTIONAL POOLED FUNDS PLC

### INTRODUCTION

The Company is an open-ended investment company with variable capital organised under the laws of Ireland. The Company has been authorised by the Central Bank as a UCITS within the meaning of the Regulations.

The Company is structured as an umbrella fund in that different Funds may be established from time to time with the prior approval of the Central Bank. Each Fund will comprise a distinct portfolio of investments. In addition, each Fund may be further divided into a number of different Classes within the Fund. The current Classes are set out under the heading "Structure" on pages 2 to 4. The Shares of each Class in a Fund will rank *pari passu* with all other Shares of any other Class in the same Fund, except as to all or any of the following:- currency of denomination of the Class; dividend policy; the level of fees and expenses to be charged; and the Minimum Subscription, Minimum Holding and Minimum Redemption amounts applicable.

The assets of each Fund will be separate from one another and will be invested in accordance with the investment objectives applicable to each Fund. Particulars relating to the Funds are set out in this Prospectus. New Funds may be created with the prior approval of the Central Bank and new Classes may be created in accordance with the UCITS Requirements, in which case Supplements or a revision of this Prospectus incorporating provisions relating to those Funds/ Classes will be issued by the Company.

The Base Currency of the BlackRock Euro Government Bond Fund, Blackrock Europe Equity 1 Fund is Euro. The Base Currency of the BlackRock Japan Equity 1 Fund is Yen. The Base Currency of the BlackRock Sustainable Global Allocation Tailored Fund is US Dollar.

The Dealing Currencies of the BlackRock Euro Government Bond Fund are Euro, Sterling, US Dollar, Swiss Franc and Yen. The Dealing Currencies of the BlackRock Japan Equity 1 Fund are Euro, US Dollar, Sterling and Yen.

The Dealing Currencies of the BlackRock Europe Equity 1 Fund are Euro, Sterling and US Dollar.

The Dealing Currencies of the BlackRock Sustainable Global Allocation Tailored Fund are US Dollar, Euro and Czech Koruna.

Any currency fluctuations between the Base Currency and Dealing Currencies for any of the Funds are at the risk of the investor. The Base Currency and Dealing Currencies of any new Funds will be determined by the Directors.

Each Index Fund uses either a replicating or a non-replicating strategy in order to track its Benchmark Index:

#### (a) Replicating Strategy

Replicating Index Funds seek to replicate as closely as possible the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in similar proportion to their weightings in the Benchmark Index and, in doing so, are permitted to avail of the higher investment limits set out in section 4 of Appendix III for replicating Index Funds. It may not, however, always be possible or practicable to purchase each and every constituent of the Benchmark Index in accordance with the weightings of the Benchmark Index, or doing so may be detrimental to holders of Shares in the relevant Index Fund (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Benchmark Index, or in circumstances where a security in the Benchmark Index becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions that apply to the Index Fund but not to the Benchmark Index). Replicating Index Funds as per the UCITS Requirements will state the intent to avail of the investment limits set out in section 4 of Appendix III in their investment policy.

#### (b) Non-replicating Strategy

Certain Index Funds may not be replicating Index Funds for the purposes of the UCITS Requirements and therefore are not permitted to avail of the higher investment limits set out in section 4 of Appendix III which apply to replicating funds (instead, they may use optimisation techniques to achieve their investment objective). Non-replicating Index Funds may, or may not, hold every security or the exact concentration of a security in its Benchmark Index, but will aim to track its Benchmark Index as closely as possible and may use optimisation techniques to achieve their investment objective. Optimisation techniques are techniques used by an Index Fund to achieve a similar return to its Benchmark Index. These techniques may include the strategic selection of certain securities that make up the Benchmark Index or other securities which provide similar performance to certain constituent securities. They may also include the use of FDIs. The extent to which an Index Fund uses optimisation techniques will depend on the nature of the constituents of its Benchmark Index, the practicalities and cost of tracking the relevant Benchmark Index, and such use is at the discretion of the Investment Manager. For example, an Index Fund may use optimisation techniques extensively and may be able to provide a return similar to that of its Benchmark Index by investing only in a relatively small number of the constituents of its Benchmark Index. The Index Fund may also hold some securities which provide similar performance (with matching risk profile) to certain securities that make up the relevant Benchmark Index even if such securities are not themselves constituents of the Benchmark Index and the Index Fund's holdings may exceed the number of constituents of the Benchmark Index. The use of optimisation techniques, implementation of which is subject to a number of constraints such as those detailed in Appendix III which apply to investment in FDIs, may not produce the intended results.

The following Index Funds use a replicating strategy:

- BlackRock Japan Equity 1 Fund
- BlackRock Europe Equity 1 Fund

#### SFDR

The following Fund has been categorised as an Article 8 fund under the SFDR, i.e. a fund that promotes environmental and/or social characteristics provided that companies in which the investments are made follow good governance practices ("**Article 8 Fund**"): BlackRock Sustainable Global Allocation Tailored Fund.

Appendix VIII sets out the pre-contractual disclosure required under the SFDR and the Taxonomy Regulation for the Article 8 Fund. The pre-contractual disclosure has been prepared based on information available from third-party data providers shortly prior to the filing of this Prospectus.

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

#### Consideration of principal adverse impacts on sustainability factors ("**PAIs**")

##### All Funds except for the Article 8 Fund:

###### *Actively managed Fund (BlackRock Euro Government Bond Fund)*

The Investment Manager has access to a range of data sources, including PAI data, when making decisions on selection of investments. However, whilst BlackRock considers ESG risks for all portfolios and these risks may coincide with environmental or social themes associated with the PAIs, unless stated otherwise, the Fund does not commit to considering PAIs in driving the selection of its investments.

###### *Index Funds / passively managed Funds (BlackRock Japan Equity 1 Fund, BlackRock Europe Equity 1 Fund, BlackRock US Midcap Equity 1 Fund)*

The Investment Manager has access to a range of data sources, including PAI data, when managing fund portfolios. However, whilst BlackRock considers ESG risks for all portfolios and these risks may coincide with environmental or social themes associated with the PAIs, unless stated otherwise, the

Funds do not commit to considering PAIs in the selection of their investments.

#### Article 8 Fund

The pre-contractual disclosures in Appendix VIII set out the PAIs considered for the Fund.

### **Taxonomy Regulation**

#### All Funds except for the Article 8 Fund:

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

### **Labels**

With respect to the Funds listed below, it is BlackRock's intention to align with the following ESG labels in recognition of their support of promoting responsible investments in addition to complying with the SFDR and the Taxonomy Regulation. For these Funds that have applied and obtained the below ESG labels, alignment with the methodologies and ESG requirements established by such ESG labels may restrict investment selections of the Investment Advisers in addition to the policies disclosed with respect to each Fund identified as having obtained or applied for each ESG label.

#### Febelfin Label

The Belgian Financial Sector Federation ("Febelfin") supports the promotion of socially responsible financial products through its initiative to create a socially responsible investment ("SRI") label. Initially issued in February 2019, the Quality Standard, as revised from time to time (the "Febelfin Guidelines"), has been developed by the Central Labelling Agency (the "CLA"). The CLA is a not-for-profit association incorporated under Belgian law and its board is composed equally of independent directors (academia, civil society) and directors from the financial sector.

To be awarded the label, Funds need to implement at least two mandatory ESG strategies and the harm avoidance principle as further defined by the Febelfin Guidelines. The two mandatory ESG strategies are the integration of all dimensions of sustainability and negative/ exclusionary ESG screening. The harm avoidance principle is achieved by the exclusion from the eligible universe of companies violating the UN Global Compact. In addition to the two ESG strategies above, one or more of the following additional strategies may be implemented: positive/ best in class screening, norm-based screening, sustainability-themed investing or impact/community investing. All assets in the portfolio are assessed according to these ESG principles.

Exclusions required by the label apply at a company level, based on their engagement in a sector as measured by the proportion of the company's revenues derived from certain activities. A socially responsible financial product shall not finance weapons, tobacco production and trading, thermal coal extraction, unconventional oil and gas. However, investments in the conventional oil and gas sector and the power generation sector are permitted once certain criteria are met.

The current *Revised Towards Sustainability Quality Standard* comprises the revised Febelfin Guidelines published on 31 May 2021 and the latest Technical Guidance issued on 28 September 2022, which implement more stringent requirements starting January 2022. The Revised Quality Standards have aligned the Febelfin Guidelines with EU legislation and upcoming initiatives on sustainability, introduced criteria for ESG assessment of financial institutions and energy and electricity utilities sector and increased transparency requirements. Among the new requirements, Funds applying for the label now need to disclose the calculated average selectivity for the best-in-class approach. Revised thresholds have also been introduced, with phasing out margins decreasing year on year for companies that are not yet fully compliant with required business criteria but are amongst the best of their peer group in transitioning their business model. Additional rules deal with certain assets such as derivatives, fixed income instruments and green bonds. Specifically, sovereign bonds issued by states that have not ratified or implemented certain international conventions are excluded. For this asset class, exceptions apply to public debt issued by certain issuers and for certain products (such as funds with an emerging market focus) with limitations applying by jurisdictions. Febelfin Guidelines allow exposure to core

reserve (non-EURO) currency issuers that do not comply with its criteria only up to a combined limit of 30% (e.g. total exposure to US and Japanese sovereign bonds).

For the Funds that have obtained or applied for this label, the label requirements and investment constraints will inform the investment policies and strategies of such Funds.

An independent third-party verifier is appointed by the CLA to evaluate a Fund's initial compliance with the Febelfin Guidelines and also subsequent annual verification. The Investment Adviser may withdraw from the label or no longer qualify for it if a Fund does not meet compliance with its evolving criteria.

However, wherever consistent with a Fund investment policy, Manager will endeavour to take necessary and timely remedial measures (such as divestment) if investments deviate from the Febelfin Guidelines. Please refer to the label website for the most up to date list of Funds holding the label. For a more complete and current account of the Febelfin label policies as may further evolve over time, Shareholders should consult the Febelfin label website at [www.towardssustainability.be/en/quality-standard](http://www.towardssustainability.be/en/quality-standard). As at the date of this Prospectus, the following Funds have been awarded the Febelfin label:

BlackRock Sustainable Global Allocation Tailored Fund

### **ESG Integration**

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

Each Fund is passively managed with the exception of the BlackRock Euro Government Bond Fund and BlackRock Sustainable Global Allocation Tailored Fund which are actively managed.

#### *Actively managed Funds*

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

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

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

#### *Passively managed Funds*

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

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

Where a Benchmark Index explicitly includes a sustainability objective, BlackRock conducts regular reviews with index providers to ensure that the Benchmark Index retains consistency with its sustainability objectives.

#### *All Funds*

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

### **Investment Stewardship**

BlackRock undertakes investment stewardship engagements and proxy voting with the goal of protecting and enhancing the long-term value of the Funds' assets for relevant asset classes. In our experience, sustainable financial performance and value creation are enhanced by sound governance practices, including risk management oversight, board accountability, and compliance with regulations. We focus on board composition, effectiveness and accountability as a top priority. In our experience, high standards of corporate governance are the foundations of board leadership and oversight. We engage to better understand how boards assess their effectiveness and performance, as well as their position on director responsibilities and commitments, turnover and succession planning, crisis management and diversity.

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

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

## INVESTMENT OBJECTIVES AND POLICIES

### *BlackRock Euro Government Bond Fund*

The investment objective of the BlackRock Euro Government Bond Fund is to seek to outperform the Bloomberg Euro Aggregate Treasury Index (the Benchmark Index of the Fund) by investing primarily in investment grade government, agency, supranational and corporate fixed income securities such as bills, notes (fixed-rate, floating-rate and medium term notes), gilts, bonds and inflation-protected securities.

The investment policy of the BlackRock Euro Government Bond Fund is to apply a duration controlled approach emphasising the following investment strategies:

- sector rotation;
- security selection; and
- relative value trades;

in each case as detailed below.

A duration controlled approach means actively managing the BlackRock Euro Government Bond Fund's exposure to interest rate risk by changing the duration of the BlackRock Euro Government Bond Fund's assets but always within predetermined limits relative to the duration of the Bloomberg Euro Aggregate Treasury Index. Duration is a measure of the sensitivity of bond prices to movements in interest rates.

#### *Sector Rotation:*

Based on its economic outlook, the Investment Manager will adjust the BlackRock Euro Government Bond Fund's holdings by investing in certain sectors (i.e. government, agencies, supranationals or corporate bonds) that have historically increased in price during a particular phase in the economic cycle and avoid those that have underperformed at that point. As the economic cycle turns, the Investment Manager may sell fixed income securities in one sector and buy in another.

#### *Security Selection:*

The Investment Manager will attempt to identify individual fixed income securities, the performance of which will be contingent on a positive or negative credit rating of the issuer amongst other criteria that may impact the price. In addition, security selection decisions may be based on global growth patterns, the interest-rate environment or changes in the supply and demand of bonds.

#### *Relative Value Trades:*

The Investment Manager will utilise certain arbitrage techniques, which typically attempt to eliminate exposure to general market risks and to isolate a specific mispricing, such as changes in yield between different bond issuers, by holding both long and synthetic short (through the use of FDIs) positions in related securities.

The BlackRock Euro Government Bond Fund will invest at least 90% of its Net Asset Value in Euro denominated investment grade fixed income securities and fixed income related instruments issued by, or giving exposure to, governments, agencies and supranational institutions domiciled in, or exercising the predominant part of their activity in, Europe, and, when determined appropriate, cash and near-cash instruments. Up to an aggregate of 10% of the BlackRock Euro Government Bond Fund's Net Asset Value may be invested in:

- (i) non-Euro denominated investment grade fixed income securities and fixed income related instruments issued by, or giving exposure to, governments, agencies, supranational institutions worldwide;
- (ii) Euro denominated and non-Euro denominated investment grade fixed income securities and fixed income related instruments issued by, or giving exposure to, companies worldwide; and

- (iii) Euro denominated non-investment grade fixed income securities and fixed income related instruments issued by, or giving exposure to, governments, agencies, supranational institutions domiciled in, or exercising the predominant part of their activity in the EMU.

The fixed income related instruments invested in by the BlackRock Euro Government Bond Fund shall include hybrid securities which combine debt and equity characteristics such as covered bonds (debt securities backed by cash flows from public sector loans), convertible bonds and notes (bonds convertible into equities), bonds with warrants, floating-rate notes, dual-currency bonds (bonds that pay interest in one currency but principal in a different currency) and preferred securities, and FDIs of the type listed below.

The BlackRock Euro Government Bond Fund will seek to limit its exposure to currencies other than the Euro by limiting its exposure to such currencies to 5% of its Net Asset Value.

The BlackRock Euro Government Bond Fund may invest cash balances in units or shares of money market funds and in money market instruments traded on a Regulated Market. The money market instruments in which the BlackRock Euro Government Bond Fund may invest will include securities such as commercial paper, certificates of deposit, and bankers' acceptances, all rated above investment grade.

The fixed income transferable securities in which the BlackRock Euro Government Bond Fund invests will be traded on any one of the Regulated Markets set out in Appendix I to the Prospectus and will be subject to the Investment and Borrowing Restrictions set out in Appendix III to the Prospectus.

The BlackRock Euro Government Bond Fund may employ investment techniques and FDIs for investment purposes as well as efficient portfolio management within the limits set out in Appendix II to the Prospectus. Futures contracts may be used to hedge against interest rate risk or market risk or to gain exposure to an underlying market. Forward contracts may be used to hedge against, or gain exposure to, an increase in the value of an asset, currency or deposit. Options may be purchased to hedge against, or achieve exposure to, a particular market instead of using a security of a type in which the BlackRock Euro Government Bond Fund may invest as outlined above. The BlackRock Euro Government Bond Fund may write covered options on the securities in which the BlackRock Euro Government Bond Fund may invest in order to seek enhanced returns. Swaps may be used to achieve profit, to hedge existing long positions and to hedge against interest rate risk. Forward foreign exchange transactions may be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another.

The Benchmark Index consists of fixed-rate, investment-grade public obligations of the sovereign countries participating in the EMU. The Benchmark Index rebalances on a monthly basis.

Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at [https://index.barcap.com/Benchmark\\_Indices/Aggregate/Bond\\_Indices](https://index.barcap.com/Benchmark_Indices/Aggregate/Bond_Indices).

### **Risk management**

The risk management measure used in respect of the calculation of the Fund's global exposure is the relative value at risk ("**Relative VaR**") approach. Further details on the Relative VaR approach can be found in the section below entitled Risk Management and Leverage and in Appendix II.

The Relative VaR of the BlackRock Euro Government Bond Fund will be calculated on the basis of the value at risk of the Bloomberg Euro Aggregate Treasury Index.

### **Reference to the Benchmark Index**

The BlackRock Euro Government Bond Fund is actively managed and the Investment Manager has discretion to select the investments of the BlackRock Euro Government Bond Fund. In doing so, the Investment Manager will refer to Bloomberg Euro Aggregate Treasury Index when constructing the portfolio of the BlackRock Euro Government Bond Fund, and also for risk management purposes to ensure that the active risk (i.e. degree of deviation from its benchmark index) taken by the BlackRock



Euro Government Bond Fund remains appropriate given the investment objective and policy of the BlackRock Euro Government Bond Fund. The BlackRock Euro Government Bond Fund is designed to provide investors with achievement of the investment objective by typically taking a low to conservative level of active risk relative to the Bloomberg Euro Aggregate Treasury Index, in order to seek a commensurate active return in excess of applicable management fees over the short term (i.e. up to 3 years). The Investment Manager is not bound by the components or weighting of the Bloomberg Euro Aggregate Treasury Index when selecting investments. The Investment Manager may also use its discretion to invest in securities not included in the Bloomberg Euro Aggregate Treasury Index in order to take advantage of specific investment opportunities. However, the level of active risk taken by the Fund may have the effect of limiting the extent to which the portfolio holdings will deviate from the Bloomberg Euro Aggregate Treasury Index. The Bloomberg Euro Aggregate Treasury Index should be used by investors to compare the performance of the BlackRock Euro Government Bond Fund.

#### *BlackRock Sustainable Global Allocation Tailored Fund*

The investment objective of the Fund is to seek to maximise total return in a manner consistent with the principles of environmental, social and governance (“ESG”) focused investing.

The Fund is actively managed. In order to achieve its investment objective, the Fund will seek to invest globally in equity, debt and short term securities, of both corporate and governmental issuers, There are no prescribed limits as to the level of investment in each type of security which may fluctuate. In normal market conditions the Fund will invest at least 70% of its total assets in the securities of corporate and governmental issuers. The Fund generally will seek to invest in securities that are, in the opinion of the Investment Manager, undervalued, having regard to top-down asset allocation factors, bottom-up security analysis as well as the ESG-related criteria referred to below. The Investment Manager seeks to add value across a broadly diversified investment universe in order to identify undervalued investment opportunities while mitigating macroeconomic risks. Macro regime identification informs the top-down asset allocation and takes into account a variety of factors including, but not limited to, inflation, central bank policies and interest rates. Both fundamental and quantitative analysis are integral to the research process and are considered by the Investment Manager when identifying potential opportunities and reviewing securities held in the portfolio. The Fund may also invest in the equity securities of small and emerging growth companies. The Fund's debt portfolio may consist of investment grade, sub-investment grade or unrated fixed income transferable securities. The Fund may invest up to 30% of its total assets in sub-investment grade or unrated fixed income transferable securities.

Currency exposure is flexibly managed. Currency management techniques, such as the use of FDIs, may be employed both for hedging purposes and tactical exposure to achieve enhanced returns. The frequency and the extent of the use of currency management techniques depends on the Investment Manager's view on the macroeconomic conditions as they apply to the relevant currencies and the currency positioning of the Fund's Investments.

The Fund will also seek to integrate the ESG Policy described below into its investment strategy.

The Fund may invest directly in the PRC by investing via Stock Connect. The Fund may also gain direct exposure to onshore bonds distributed in Mainland China in the China Interbank Bond Market via the Foreign Access Regime and/or Bond Connect and/or other means as may be permitted by the relevant regulations from time to time. The Fund may invest up to 20% in aggregate of its total assets in emerging markets including in the PRC via Stock Connect, the Foreign Access Regime and/or Bond Connect.

The Fund may invest up to 20% of its total assets in asset backed securities and mortgage backed securities whether investment grade or not. These may include asset-backed commercial paper, collateralised loan obligations (up to 10% of the Fund's total assets), 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 asset backed securities and mortgage backed securities may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of asset backed securities and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of mortgage backed securities). Certain asset backed securities 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.

The Fund's exposure to contingent convertible bonds is limited to 10% of total assets. The Fund may invest in securities of an issuer in high risk of default and may remain invested in securities of an issuer that is in default. The Fund's exposure to securities of an issuer that is either in default or in high risk of default is limited to 10% of the Fund's total assets.

The Fund's Investments will normally be listed or traded on the Regulated Markets set out in Appendix I. In addition, subject to the conditions and within the limits laid down in Appendix III, the Fund may invest in unquoted securities or in collective investment schemes for investment purposes or to preserve the value of any cash amounts the Fund may hold, for example by investing in money market funds and in exchange traded funds.

The Fund may use FDIs for investment purposes and for the purposes of efficient portfolio management including options, futures, indexed securities, credit default swaps, swaps and forward contracts within the limits set out in Appendix II both to seek to increase the return of the Fund and to hedge the value of its assets against adverse movements in currency exchange rates, interest rates and movements in the securities markets.

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

## **Risk Management**

The risk management measure used in respect of the calculation of the Fund's global exposure is the relative value at risk ("**Relative VaR**") approach. Further details on the Relative VaR approach can be found in the section below entitled Risk Management and Leverage and in Appendix II.

The Relative VaR of the Fund will be calculated on the basis of the value at risk a composite benchmark comprising the MSCI All Country World Index (60%) and Bloomberg Global Aggregate Index (40%).

## **ESG Policy**

The Fund uses the Investment Manager's proprietary methodology (the "**Methodology**") to integrate ESG-related criteria into its investment process and also applies the BlackRock EMEA Baseline Screens (as described in Appendix VII) when selecting investments to be held directly by the Fund.

The Methodology assesses investments based on the extent to which they are associated with positive or negative externalities, that is environmental and social benefits or costs as defined by the Investment Manager. The Investment Manager will seek to enhance exposure to investments that are deemed to have associated positive externalities (e.g. lower carbon emitting issuers and issuers with positive ESG credentials) and seek to limit exposure to investments that are deemed to have associated negative externalities (e.g. higher carbon emitters, issuers with certain controversial business practices, and issuers with negative ESG credentials).

The assessment of the level of involvement in each activity may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.

The remaining issuers (i.e. those issuers which have not yet been excluded from investment by the Fund) are then evaluated by the Investment Manager based on, among other factors, their ability to manage the risks and opportunities associated with ESG compliant business practices and their ESG risk and opportunity credentials, such as their leadership and governance framework, which is

considered essential for sustainable growth, their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on an issuer's financials.

At least 90% of the issuers of securities the Fund invests in will be ESG rated or have been analysed for ESG purposes. To undertake this analysis, the Investment Manager may use data provided by external ESG providers, proprietary models and local intelligence and may undertake site visits.

The Fund seeks to invest a portion of its assets in Sustainable Investments.

The Methodology and ESG criteria, as described above, may evolve and advance over time. Furthermore, the Fund may gain indirect exposure (through, including but not limited to, derivatives and shares or units of collective investment schemes) to issuers with exposures that are inconsistent with the ESG criteria used by the Investment Manager as described above. Circumstances in which such indirect exposure may arise include, but are not limited to, where a counterparty to a derivative in which the Fund invests posts collateral which is inconsistent with the Fund's ESG criteria or where a collective investment scheme in which the Fund invests does not apply any or the same ESG criteria as the Fund and so provides exposure to securities which are inconsistent with the Fund's ESG criteria. The Investment Manager may take corrective action in such circumstances.

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

#### **Reference to the Benchmark Index**

The Fund is actively managed, and the Investment Manager has discretion to select the Fund's investments. In doing so, the Investment Manager will refer to a composite benchmark comprising the MSCI All Country World Index (60%) and Bloomberg Global Aggregate Index (40%) (together, the "Index") when constructing the Fund's portfolio, and also for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Index) taken by the Fund remains appropriate given the Fund's investment objective and policy.

The Investment Manager is not bound by the components or weighting of the Index when selecting investments. The Investment Manager may also use its discretion to invest in securities not included in the Index in order to take advantage of specific investment opportunities. The Index should be used by investors to compare the performance of the Fund. In addition, given the Fund's ability to invest in global stocks and global bonds, investors may use the MSCI All Country World Index to compare the performance of the Fund against global equities and the Bloomberg Global Aggregate Index to compare the performance of the Fund against global bonds (and the Investment Manager intends to include these comparisons in its reports on the Fund from time to time).

The ESG Policy reduces the investment universe of the Fund by 20%. For the purposes of measuring this reduction only, MSCI All Country World Index and Bloomberg Global Aggregate Index are used to define the investment universe and are reduced separately.

The Investment Manager intends the Fund to have a lower carbon emissions intensity than the Index.

#### *BlackRock Japan Equity 1 Fund*

The investment objective of this Fund is to provide a total return, taking into account both capital and income returns, which reflects the total return of the equity market in Japan.

The Fund is passively managed. In order to achieve its objective, the Fund will invest in a portfolio of Japanese equity securities, which as far as possible and practicable consist of the component securities of the MSCI Japan Index, the Fund's Benchmark Index, in similar proportions to their weightings in the Benchmark Index. The Benchmark Index measures the performance of large and mid capitalisation Japanese equity securities. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35%**

**for a single issuer when exceptional market conditions apply (as set out in section 4 of Appendix III).**

The Fund's investments will normally be listed and traded on Regulated Markets in Japan, but may alternatively be listed and traded on other Regulated Markets as set out in Appendix I. In addition, subject to the conditions and within the limits laid down in Appendix III, the Fund may invest in unquoted securities (for example, where the securities in the Benchmark Index are or become subject to corporate action) or in collective investment schemes for investment purposes or to preserve the value of any cash amounts the Fund may hold for example by investing in money market funds and in equity based exchange traded funds (as a means of converting cash into equity related positions).

The Fund may employ techniques and instruments relating to transferable securities (such as Japanese equity securities invested in by Fund in order to achieve its investment objective) for the purposes of efficient portfolio management, subject to the conditions and within the limits set out in Appendix II.

The return of this Fund will be compared with the return of the Benchmark Index, which will initially be with net dividends. The Benchmark Index with net dividends is an index representing leading equities listed in Japan. The Benchmark Index is weighted by the free-float adjusted market capitalisation of the individual stocks. The Benchmark Index rebalances on a quarterly basis.

Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.msci.com/products/indices/licensing/constituents.html>

The Fund may invest in FDIs for direct investment purposes or for efficient portfolio management purposes. When investing in FDIs for direct investment purposes, the Fund may engage in transactions in FDIs including options and futures transactions, swaps, forward contracts, non-deliverable forwards, credit derivatives (such as single name credit default swaps and index credit default swaps), spot foreign exchange transactions, caps and floors or contracts for differences for direct investment, in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank), to assist in achieving its objective and for reasons such as generating efficiencies in gaining exposure to the constituents of the Fund's Benchmark Index or to the index itself, to reduce transaction costs or taxes or allow exposure in the case of illiquid stocks or stocks which are unavailable for market or regulatory reasons or to minimise tracking errors or for such other reasons as the Directors deem of benefit to the Fund.

## **Risk Management**

The risk management measure used in respect of the calculation of the Fund's global exposure is the commitment approach. Further details on the commitment approach can be found in the section below entitled Risk Management and Leverage and in Appendix II.

### *BlackRock Europe Equity 1 Fund*

The investment objective of the Fund is to provide a total return, taking into account both capital and income returns, which reflects the total return of the European equity market.

The Fund is passively managed. In order to achieve its investment objective, the investment policy of the Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI Europe Index, the Fund's Benchmark Index, in similar proportions to their weightings in the Benchmark Index. The Benchmark Index measures the performance of the larger and mid capitalisation equity securities in Europe. **In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Appendix III).**

The Fund's investments will normally be listed or traded on the Regulated Markets set out in Appendix I. In addition, subject to the conditions and within the limits laid down in Appendix III, the Fund may invest in unquoted securities (for example, where the securities in the Benchmark Index are or become subject to corporate action) or in collective investment schemes for investment purposes or to preserve

the value of any cash amounts the Fund may hold for example by investing in money market funds and in equity based exchange traded funds (as a means of converting cash into equity related positions).

The MSCI Europe Index is a free-float adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The Benchmark Index rebalances on a quarterly basis.

Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://www.msci.com/products/indices/licensing/constituents.html>

The Fund may invest in FDIs for direct investment purposes or for efficient portfolio management purposes. When investing in FDIs for direct investment purposes, the Fund may engage in transactions in FDIs including options and futures transactions, swaps, forward contracts, non-deliverable forwards, credit derivatives (such as single name credit default swaps and index credit default swaps, spot foreign exchange transactions, caps and floors or contracts for differences for direct investment, in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank), to assist in achieving its objective and for reasons such as generating efficiencies in gaining exposure to the constituents of the MSCI Europe Index or to the index itself, to reduce transaction costs or taxes or allow exposure in the case of illiquid stocks or stocks which are unavailable for market or regulatory reasons or to minimise tracking errors or for such other reasons as the Directors deem of benefit to the Fund.

### **Risk Management**

The risk management measure used in respect of the calculation of the Fund's global exposure is the commitment approach. Further details on the commitment approach can be found in the section below entitled Risk Management and Leverage and in Appendix II.

### **Anticipated tracking error of the Index Funds**

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

Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant Index Fund and the returns of its Benchmark Index. One of the primary drivers of tracking error is the difference between Index Fund holdings and Benchmark Index constituents. Cash management and trading costs from rebalancing can also have an impact on tracking error as well as the return differential between the Index Fund and the Benchmark Index. The impact can be either positive or negative depending on the underlying circumstances.

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

At the date of this Prospectus, the anticipated tracking error for the Index Funds in normal market conditions are noted below. The anticipated tracking error of each Index Fund is not a guide to future performance. The applicable figure below for the Index Fund represents the anticipated tracking error for a Base Share Class of the Index Fund against the Index Fund's Benchmark Index. Where an Index Fund offers more than one Share Class, the applicable figure below for the Index Fund represents the anticipated tracking error for a Base Share Class of the Index Fund against the Index Fund's Benchmark Index. The annual and semi-annual report and accounts will set out the actual realised tracking errors as at the end of the period under review.

<b>Index Fund</b>	<b>Anticipated Tracking Error</b>
BlackRock Japan Equity 1 Fund	Up to 0.10%
BlackRock Europe Equity 1 Fund	Up to 0.25%

## Investment Techniques of the Index Funds

The Index Funds invest in transferable securities in accordance with the Regulations and/or other liquid financial assets referred to in Regulation 68 of the Regulations with the aim of spreading investment risk. Each Index Fund's Investments will be limited to investments permitted by the Regulations which are described in more detail in Appendix III. Each Index Fund's Investments, other than its Investments in open-ended collective investment undertakings, will normally be listed or traded on Regulated Markets set out in Appendix I.

There are a number of circumstances in which achieving the investment objective and policy of an Index Fund may be prohibited by regulation, may not be in the interests of holders of Shares or may require the use of strategies which are ancillary to those set out in the Index Fund's investment objective and policy. These circumstances include, but are not limited to the following:-

- (i) Each Index Fund is subject to the Regulations which include, inter alia, certain restrictions on the proportion of that Index Fund's value which may be held in individual securities. Depending on the concentration of the Benchmark Index, a Index Fund may be restricted from investing to the full concentration level of the Benchmark Index. In addition, an Index Fund may hold synthetic securities within the limits set out in this Prospectus, provided that the synthetic securities are securities which are correlated to, or the return on which is based on securities which form part of the Benchmark Index.
- (ii) The constituent securities of the Benchmark Index change from time to time (a "rebalancing"). The Investment Manager may adopt a variety of strategies when investing the assets of an Index Fund to bring it in line with the rebalanced Benchmark Index. For example, (a) for equity Index Funds, where a security which forms part of the Benchmark Index is not available or is not available for the required value or a market for such security does not exist or is restricted, an Index Fund may hold depository receipts relating to such securities (eg ADRs and GDRs); (b) for fixed income Index Funds, where a fixed income security which forms part of the Benchmark Index is not available or is not available for the required value or a market for such security does not exist or is restricted, the Index Fund may hold depository notes relating to such securities (eg GDNs) and/or hold some fixed income securities which have similar risk characteristics even if such fixed income securities are not themselves constituents of the Benchmark Index.
- (iii) From time to time, securities in the Benchmark Index may be subject to corporate actions. The Investment Manager may manage these events in its discretion.
- (iv) An Index Fund may hold ancillary liquid assets and will normally have dividend/income receivables. The Investment Manager may purchase FDIs (as outlined above), for direct investment purposes, to produce a return similar to the return on the Benchmark Index.
- (v) Securities included in the Benchmark Index may, from time to time, become unavailable, illiquid or unobtainable at fair value. In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Benchmark Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Benchmark Index.
- (vi) The Investment Manager will have regard to the costs of any proposed portfolio transaction. It may not necessarily be efficient to execute transactions which bring an Index Fund perfectly in line with the Benchmark Index at all times.

## General

Where Shares in a Fund are admitted to listing on the Main Market of the Irish Stock Exchange, the investment objectives and policies for the relevant Fund will, in the absence of unforeseen circumstances, be adhered to for at least three years following the date of admission to listing. Any change during this period to the investment policies of a Fund will be subject to the prior approval in writing of a majority of the Shareholders of such Fund, or, if a general meeting of the Shareholders of such Fund is convened, by a majority of the votes cast at such meeting. Any alteration to the investment

objectives of any Fund at any time will be subject to similar prior approval of the Shareholders of such Fund. Shareholders will be given four weeks' advance notice of the implementation of any alteration in the investment objectives or policies in a Fund to enable them should they wish to do so to redeem or switch their Shares prior to such implementation.

A Fund may invest in other Funds of the Company subject to the conditions set out in Appendix III.

The specific investment objectives and policies for each new Fund will be formulated by the Directors at the time of the creation of that Fund.

## **Investment in Financial Derivative Instruments**

### ***Efficient Portfolio Management***

The Company may, on behalf of each Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to transferable securities (as set out in Appendix II) for hedging purposes (to protect an asset of a Fund against, or minimise liability from, fluctuations in market value or foreign currency exposures) or otherwise for efficient portfolio management purposes (with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to a Fund provided such transactions are not speculative in nature). Such techniques and instruments may include but are not limited to, investments in exchange-traded or over the counter ("OTC") FDIs, such as futures and currency forwards (which may be used to manage market and currency risk respectively), options (including call and put options which may be used to achieve cost efficiencies), swaps, including credit default swaps (which may be used to manage interest rate and credit risk respectively), caps and floors (which may be used to hedge against interest rate movements exceeding given minimum or maximum levels) and contracts for difference (which may be used to gain exposure to investments in which a Fund may invest).

### ***Direct Investment***

A Fund may also invest in FDIs as part of its investment strategy where such intention is disclosed in the Fund's investment policy.

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

### ***Risk Management and Leverage***

The Investment Manager employs a risk management process in respect of the Funds in accordance with the UCITS Requirements to enable it to accurately monitor, measure and manage, the global exposure from FDIs ("global exposure") which each Fund gains. Any FDIs not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank in accordance with the UCITS Requirements. Information regarding the risks associated with the use of FDIs can be found in the section entitled "Risk Factors - FDI Risks".

The Investment Manager 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 under the heading "Investment Objectives and Policies" above.

The Company will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

Further details of the VaR and commitment approach methodologies are set out in Appendix II.

A Fund's level of investment exposure can exceed its Net Asset Value due to the use of FDIs or borrowing (borrowing is only permitted in limited circumstances as set out in Appendix III and not for investment purposes). For some Fund's, the Regulations require that the Prospectus (or Supplement where applicable) include information relating to the expected levels of leverage in a Fund where VaR

is being used to measure global exposure. Where such information is required in respect of a particular Fund, this will be set out below in this section. Where a Fund's investment exposure exceeds its Net Asset Value this is known as leverage. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by a Fund, without netting. The expected level of leverage may vary over time. It should be noted that this approach to measuring leverage could lead to leverage levels that are very different from risk-exposures.

#### *BlackRock Euro Government Bond Fund*

In implementing its investment policies, the BlackRock Euro Government Bond Fund is generally expected to be leveraged at around 300% of its Net Asset Value. The BlackRock Euro Government Bond Fund may have higher levels of leverage including in atypical or volatile market conditions.

#### *BlackRock Sustainable Global Allocation Tailored Fund*

In implementing its investment policies, the Fund is generally expected to be leveraged at around 140% of its Net Asset Value. The Fund may have higher levels of leverage including in atypical or volatile market conditions, however leverage is not expected to exceed 280% of its Net Asset Value.

### **Permitted Investments**

Each Fund is managed separately in accordance with the investment and borrowing restrictions under the Regulations which are described in more detail in Appendix III. The stock exchanges and markets in which a Fund may invest are set out in Appendix I. These stock exchanges and markets are set out in accordance with the UCITS Requirements, it being noted that the Central Bank does not issue a list of approved exchanges or markets.

If the investment limitations (other than those relating to borrowings) set out in the Regulations are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Directors must adopt as a priority objective the remedying of that situation taking due account of the interest of the Shareholders.

The Directors may from time to time, and in accordance with the UCITS Requirements, impose such further investment restrictions as may be compatible with or be in the interest of the Shareholders in order to comply with the laws and regulations of the countries where Shareholders of the Company are located or the Shares are marketed.

The Company will, subject to compliance with any applicable restrictions which are imposed by the Irish Stock Exchange, and in accordance with the UCITS Requirements, have power to avail itself of any change in the investment restrictions detailed in Appendix II and Appendix III and laid down in the Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment which, as at the date of this Prospectus, is restricted or prohibited under the Regulations. The Company will give Shareholders at least four weeks' prior written notice of its intention to avail itself of any such change which is material in nature.

### **Benchmark Indices**

The performance of certain of the Funds will be measured against a specific Benchmark Index, as described in the investment policies of the relevant Fund.

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

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



The Directors reserve the right, if they consider it in the interests of the Company or any Fund to do so and with the consent of the Depositary, to substitute another index for the Benchmark Index if:

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

Where such a change would require an amendment to the investment objective of a Fund or a material amendment to a Fund's investment policies, Shareholder approval will be sought in advance. In circumstances where immediate action is required and it is not possible to obtain Shareholder approval in advance of a change in an Index Fund's Benchmark Index, Shareholder approval will be sought for either the change in the Benchmark Index or, if not so approved, the winding up of the Index Fund as soon as practicable and reasonable.

Any change of a Benchmark Index will be cleared in advance with the Central Bank, reflected in revised Prospectus documentation and will be noted in the annual and semi-annual reports of the Company issued after any such change takes place. In addition, any material change in the description of a Benchmark Index will be noted in the annual and semi-annual reports of the Company.

Any of the above changes may have an impact on the tax status of the Company and/or a Fund in a jurisdiction. Therefore, it is recommended that investors should consult their professional tax adviser to understand any tax implications of the change in their holdings in the jurisdiction in which they are resident.

The Directors may change the name of a Fund, particularly if its Benchmark Index, or the name of its Benchmark Index, is changed. Any change to the name of a Fund will be approved in advance by the Central Bank and the relevant documentation pertaining to the relevant Fund will be updated to reflect the new name.

## **DIVIDEND POLICY**

### **Accumulating Share Classes**

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

## Distributing Share Classes

The Directors intend to declare distributions on the Shares of the Distributing Share Classes in respect of each financial year, out of the relevant Fund's investment income return (i.e. income from dividends, interest or otherwise less the Fund's accrued expenses for the accounting period) and, in the case of Class 11 Shares of the Distributing Share Classes out of the relevant Fund's investment income return (i.e. income from dividends, interest or otherwise less the Fund's accrued expenses for the accounting period) and realised profits on the disposal of Investments and other assets less realised losses of the relevant Fund.

Details in relation to the date of the declaration of distributions and the date of the distribution payment are outlined in the "Distribution Table" below.

### Distribution Table

Fund	Share Class	Class Currency	Distribution Policy	Distribution Frequency	Distribution Declaration	Distribution Payment
BlackRock Japan Equity 1 Fund	Class A Distribution Shares	JPY	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Japan Equity 1 Fund	Class X Distribution Shares	JPY	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Japan Equity 1 Fund	Class J Distributing Shares	JPY	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Japan Equity 1 Fund	Class J (US\$ Unhedged) Distributing Shares	US\$	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Japan Equity 1 Fund	Class J (US\$ Hedged) Distributing Shares	US\$	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Japan Equity 1 Fund	Class J (€ Unhedged) Distributing Shares	€	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Japan Equity 1 Fund	Class J (€ Hedged) Distributing Shares	€	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Japan Equity 1 Fund	Class J (£ Unhedged) Distributing Shares	£	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Japan Equity 1 Fund	Class J (£ Hedged) Distributing Shares	£	Distributing	Annually	October	Within 3 months of the Declaration Date

<b>Fund</b>	<b>Share Class</b>	<b>Class Currency</b>	<b>Distribution Policy</b>	<b>Distribution Frequency</b>	<b>Distribution Declaration</b>	<b>Distribution Payment</b>
BlackRock Europe Equity 1 Fund	Class A Distributing Shares	€	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Europe Equity 1 Fund	Class A Distributing Shares	£	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Europe Equity 1 Fund	Class X Distributing Shares	€	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Europe Equity 1 Fund	Class X Distributing Shares	£	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Europe Equity 1 Fund	Class J Distributing Shares	€	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Europe Equity 1 Fund	Class J Distributing Shares	£	Distributing	Annually	October	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class A (US\$ Unhedged) Distributing Shares	US\$	Distributing	Annually	May	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class A11 (US\$ Unhedged) Distributing Shares	US\$	Distributing	Quarterly	February, May, August, November	Within 1 month of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class A (€ Unhedged) Distributing Shares	€	Distributing	Annually	May	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class A11 (€ Unhedged) Distributing Shares	€	Distributing	Quarterly	February, May, August, November	Within 1 month of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class A (€ Hedged) Distributing Shares	€	Distributing	Annually	May	Within 3 months of the Declaration Date

<b>Fund</b>	<b>Share Class</b>	<b>Class Currency</b>	<b>Distribution Policy</b>	<b>Distribution Frequency</b>	<b>Distribution Declaration</b>	<b>Distribution Payment</b>
BlackRock Sustainable Global Allocation Tailored Fund	Class A11 (€ Hedged) Distributing Shares	€	Distributing	Quarterly	February, May, August, November	Within 1 month of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class A (CZK Hedged) Distributing Shares	CZK	Distributing	Annually	May	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class A11 (CZK Hedged) Distributing Shares	CZK	Distributing	Quarterly	February, May, August, November	Within 1 month of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class X (US\$ Unhedged) Distributing Shares	US\$	Distributing	Annually	May	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class X11 (US\$ Unhedged) Distributing Shares	US\$	Distributing	Quarterly	February, May, August, November	Within 1 month of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class X (€ Unhedged) Distributing Shares	€	Distributing	Annually	May	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class X11 (€ Unhedged) Distributing Shares	€	Distributing	Quarterly	February, May, August, November	Within 1 month of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class X (€ Hedged) Distributing Shares	€	Distributing	Annually	May	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class X11 (€ Hedged) Distributing Shares	€	Distributing	Quarterly	February, May, August, November	Within 1 month of the Declaration Date

Fund	Share Class	Class Currency	Distribution Policy	Distribution Frequency	Distribution Declaration	Distribution Payment
BlackRock Sustainable Global Allocation Tailored Fund	Class X (CZK Hedged) Distributing Shares	CZK	Distributing	Annually	May	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class X11 (CZK Hedged) Distributing Shares	CZK	Distributing	Quarterly	February, May, August, November	Within 1 month of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class J (US\$ Unhedged) Distributing Shares	US\$	Distributing	Annually	May	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class J (€ Unhedged) Distributing Shares	€	Distributing	Annually	May	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class J (€ Hedged) Distributing Shares	€	Distributing	Annually	May	Within 3 months of the Declaration Date
BlackRock Sustainable Global Allocation Tailored Fund	Class J (CZK Hedged) Distributing Shares	CZK	Distributing	Annually	May	Within 3 months of the Declaration Date

### DISCLAIMER CONCERNING INDICES

Disclaimers with regards to the use of certain indices are set out in Appendix IV.

### RISK FACTORS

*The following factors do not purport to be a complete explanation of all the risk factors involved in investing in the Company. In particular, the Company's performance may be affected by changes in market and/or economic conditions, interest rates and in legal, regulatory and tax requirements.*

Potential investors should consider the following risk factors before investing in the Company:

(a) **No assurance that investment objectives will be achieved**

There is no assurance that any appreciation in the value of Investments will occur, or that the investment objectives of any Fund will be achieved. The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. Although it is not currently intended to charge any subscription or redemption fees, if subscription or redemption fees are charged, the difference at any one time between subscription and redemption prices for Shares means that any investment should be viewed as

medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment. **An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

(b) **The past performance of any Fund is no guide to its future performance.**

(c) **Market Risk and Selection Risk**

Market risk is the risk that one or more markets in which a Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. The value of a security or other asset may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer or issuers, exchange, country, group of countries, region, market, industry, group of industries, sector or asset class. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on a Fund and its investments. Selection risk is the risk that the securities selected by Fund management will underperform the markets, the relevant indices or the securities selected by other funds with similar investment objectives and investment strategies. This means you may lose money.

(d) **Sustainability Risks – General**

Sustainability risk is an inclusive term to designate investment risk (probability or uncertainty of occurrence of material losses relative to the expected return of an investment) that relates to environmental, social or governance issues.

Sustainability risk around environmental issues includes, but is not limited to, climate risk, both physical and transition risk. Physical risk arises from the physical effects of climate change, acute or chronic. For example, frequent and severe climate-related events can impact products and services and supply chains. Transition risk whether policy, technology, market or reputation risk arises from the adjustment to a low-carbon economy in order to mitigate climate change. Risks related to social issues can include but are not limited to labour rights and community relations. Governance related risks can include but are not limited to risks around board independence, ownership & control, or audit & tax management. These risks can impact an issuer's operational effectiveness and resilience as well as its public perception, and reputation affecting its profitability and in turn, its capital growth, and ultimately impacting the value of holdings in a Fund.

These are only examples of sustainability risk factors and sustainability risk factors do not solely determine the risk profile of the investment. The relevance, severity, materiality and time horizon of sustainability risk factors and other risks can differ significantly by Funds.

Sustainability risk can manifest itself through different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc.). By way of example, a Fund may invest in the equity or debt of an issuer that could face potentially reduced revenues or increased expenditures from physical climate risk (e.g. decreased production capacity due to supply chain perturbations, lower sales due to demand shocks or higher operating or capital costs) or transition risk (e.g. decreased demand for carbon-intensive products and services or increased production costs due to changing input prices). As a result, sustainability risk factors may have a material impact on an investment, may increase the volatility, affect liquidity and may result in a loss to the value of a Fund's Shares.

The impact of those risks may be higher for Funds with particular sectoral or geographic concentrations e.g., Funds with geographical concentration in locations susceptible to adverse weather conditions where the value of the investments in the Funds may be more susceptible to adverse physical climate events or Funds with specific sectoral concentrations such as investing in industries or issuers with high carbon intensity or high switching costs associated with the transition to low carbon alternatives, may be more impacted by climate transition risks.

All or a combination of these factors may have an unpredictable impact on the relevant Fund's investments. Under normal market conditions such events could have a material impact on the value of a Fund's Shares.

Assessments of sustainability risk are specific to the asset class and to a Fund's objective. Different asset classes require different data and tools to assess materiality, and make meaningful differentiation, among issuers and assets. Risks are considered and risk managed concurrently, by prioritising based on materiality and on the Fund's objective.

While index providers of the Benchmark Indices of the Funds provide descriptions of what each Benchmark Index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices or in their index methodology documents, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used.

The impacts of sustainability risk are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available.

**(e) Recent Market Events**

Periods of market volatility may occur in response to various political, social and economic events both within and outside of the United States. These conditions have resulted in, and in many cases continue to result in, greater price volatility, less liquidity, widening credit spreads and a lack of price transparency, with many securities remaining illiquid and of uncertain value. Such market conditions may adversely affect the Funds, including by making valuation of some of a Fund's securities uncertain and/or result in sudden and significant valuation increases or declines in the Fund's holdings. If there is a significant decline in the value of a Fund's portfolio, this may impact the asset coverage levels for any outstanding leverage the Fund may have.

Risks resulting from any future debt or other economic crisis could also have a detrimental impact on the global economic recovery, the financial condition of financial institutions and a Fund's business, financial condition and results of operation. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. To the extent uncertainty regarding the U.S. or global economy negatively impacts consumer confidence and consumer credit factors, a Fund's business, financial condition and results of operations could be significantly and adversely affected. Downgrades to the credit ratings of major banks could result in increased borrowing costs for such banks and negatively affect the broader economy. Moreover, Federal Reserve policy, including with respect to certain interest rates, may also adversely affect the value, volatility and liquidity of dividend- and interest-paying securities. Market volatility, rising interest rates and/or unfavourable economic conditions could impair a Fund's ability to achieve its investment objective(s).

**(f) Impact of Natural or Man-Made Disasters and Disease Epidemics**

Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organized public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio company or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the portfolio company can be resumed. The Fund's investments could also be at risk in the event of such a disaster. The magnitude of future economic repercussions of natural disasters may also be unknown, may delay the Fund's ability to invest in certain companies, and may ultimately prevent any such investment entirely.

Investments may also be negatively affected by man-made disasters. Publicity of man-made disasters may have a significant negative impact on overall consumer confidence, which in turn may materially and adversely affect the performance of the Fund's Investments, whether or not such investments are involved in such man-made disaster.

Outbreaks of infectious diseases may also have a negative impact on the performance of the Funds. For example, an infectious respiratory disease caused by a novel coronavirus known as COVID-19 detected in December 2019 has given rise to an extended global pandemic. This coronavirus led to borders closing, restrictions on movement of people, quarantines, cancellations of transportation and other services, disruptions to supply chains, businesses and customer activity, as well as general concern and uncertainty. While improvements have been made in managing the impact of COVID-19, including the adoption in many countries of widescale vaccination programmes that have reduced infection and death rates, the impact of COVID-19 continues to adversely affect the economies of many nations across the entire global economy, individual companies and capital markets. It is not yet possible to predict with any accuracy how long this impact will continue to be felt. Other epidemics and pandemics that may arise in the future could also have a similar effect and the extent of the impact cannot be foreseen at the present time. In addition, the impact of infectious diseases in certain emerging developing or emerging market countries may be greater due to less established health care systems, as was the case with COVID-19. Health crises caused by infectious diseases may exacerbate other pre-existing political, social and economic risks in certain countries.

Such events could increase volatility and the risk of loss to the value of your investments.

**(g) Operational Risk**

The Funds are exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of service providers, counterparties or other third parties, failed or inadequate processes and technology or systems failures. The Manager seeks to reduce these operational risks through controls and procedures and, through its monitoring and oversight of providers of services for the Funds, and also seeks to ensure that such service providers take appropriate precautions to avoid and mitigate risks that could lead to disruptions and operating errors. However, it is not possible for the Manager and other service providers to identify and address all of the operational risks that may affect a Fund or to develop processes and controls to completely eliminate or mitigate their occurrence or effects.

A Fund's operations (including investment management, distribution, collateral management, administration and currency hedging) are carried out by several service providers which are selected based on a rigorous due diligence process.

Nevertheless, the Manager and other providers of services for the Funds may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, provision or receipt of erroneous or incomplete data, resulting in operational risk which may have a negative effect on the Fund's operations and may expose the Fund to a risk of loss. This can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, provision or receipt of erroneous or incomplete data or loss of data, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. Investors could experience delays (for example, delays in the processing of subscriptions, switching and redemption of Shares) or other disruptions.

While the Manager seeks to minimise operational errors as set out above, there may still be failures that could cause losses to a Fund and reduce the value of the Fund.

**(h) Cybersecurity risk**

A Fund or any of the service providers, including the Manager and the Investment Manager, may be subject to risks resulting from cybersecurity incidents and/or technological malfunctions.

A cybersecurity incident is an event that may cause a loss of proprietary information, data corruption or a loss of operational capacity. Cybersecurity incidents can result from deliberate



cyber-attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through hacking or malicious software coding) for the purposes of misappropriating assets or sensitive information, corrupting data, releasing confidential information without authorisation or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial of-service attacks on websites, which may make network services unavailable to intended users. The issuers of securities and counterparties to other financial instruments in which a Fund invests may also be subject to cybersecurity incidents. Cybersecurity incidents may cause a Fund to suffer financial losses, interfere with a Fund's ability to calculate its Net Asset Value, impede trading, disrupt the ability of investors to subscribe for, exchange or redeem their Shares, violate privacy and other laws and incur regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Cyber-attacks may render records of assets and transactions of a Fund, Shareholder ownership of Shares, and other data integral to the functioning of a Fund inaccessible, inaccurate or incomplete. In addition, substantial costs may be incurred in order to prevent any cybersecurity incidents in the future which may adversely impact a Fund.

While the Manager and the Investment Manager have established business continuity plans and risk management strategies to seek to prevent cybersecurity incidents, there are inherent limitations in such plans and strategies, including the possibility that certain risks have not been identified given the evolving nature of the threat of cyber-attacks. Furthermore, none of the Manager or the Investment Manager can control the business continuity plans or cybersecurity strategies put in place by other service providers to a Fund or issuers of securities and counterparties to other financial instruments in which a Fund invests.

Technological malfunctions may occur from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors cause by services providers. Whilst the Manager and the Investment Manager seek to minimise such events through controls and oversight, there may still be failures that could cause losses to the Funds.

The Investment Manager relies on its third party service providers for many of their day-to-day operations and will be subject to the risk that the protections and policies implemented by those service providers will be ineffective to protect the Investment Manager or a Fund from cyber-attack and/or technological malfunction.

**(i) Exchange rate risk**

Changes in rates of exchange between currencies may cause the value of a Fund's Investments to diminish or increase, and currency fluctuations between a Shareholder's Dealing Currency and the Base Currency of a Fund may adversely affect the realisable value of its Shares.

**(j) Risk of suspended redemptions or switches**

Investors are reminded that in certain circumstances their right to redeem or switch Shares may be suspended (see "Suspension and Deferrals" on pages 90 to 91).

**(k) No guarantee of liquidity**

A listing on the Irish Stock Exchange of any Class will not necessarily provide liquidity to investors in those Shares.

**(l) Redemption risk**

If there are unusually heavy redemption requests, a Fund may have to sell a portion of its investment portfolio at a time when it may be disadvantageous to do so. Selling portfolio securities under these circumstances may result in a lower Net Asset Value per Share for investors. However, in these circumstances the Company is permitted to borrow, on a temporary basis, amounts up to 10% of the Net Asset Value of each Fund if its Directors believe that such borrowings would help mitigate the adverse effects of such redemptions. The Company may also defer redemptions as described under the headings "Redemption of Shares" and "Suspension

and Deferrals" below.

(m) **No guarantee of segregation**

The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish 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.

(n) **EMU risk**

Certain members of the European Union have entered into the EMU. The withdrawal of a country from the EMU could significantly adversely affect the value of any holdings of any Fund that are issued by the issuers from that country.

(o) **Risk of investing in FDIs**

Each Fund may use FDIs for the purposes of efficient portfolio management or, where stated in its investment policy, for direct investment purposes. Such instruments involve certain special risks and may expose investors to an increased risk of loss. These risks may include credit risk with regard to counterparties with whom the relevant Fund trades, the risk of settlement default, lack of liquidity of the FDI, imperfect tracking between the change in value of the FDI and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when investing in FDIs, a Fund may be required to secure its obligations to its counterparty. For non-fully funded FDIs, this may involve the placing of initial and/or variation margin assets with the counterparty. For FDIs 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 an FDI may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the FDI only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under an FDI up to such minimum transfer amount.

Additional risks associated with investing in FDIs 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 FDI is not fully collateralised but each Fund will continue to observe the limits set out in Appendix III. The use of FDIs may also expose a Fund to legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

(p) **Umbrella Cash Subscription and Redemption Account ("Umbrella Cash Collection Account") Risk**

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

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

In respect of the Umbrella Cash Collection Account, in the event of the insolvency of another sub-fund of the Company, recovery of any amounts to which a Fund is entitled, but which may have transferred to such other sub-fund as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish insolvency and trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent sub-fund may have insufficient funds to repay amounts due to the relevant Fund. Accordingly, there is no guarantee that such Fund or the Company will recover such amounts. Furthermore, there is no guarantee that in such circumstances such Fund or the Company would have sufficient funds to repay any unsecured creditors.

(q) **Credit risk**

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

(r) **Settlement and trading risks**

The trading and settlement practices on some of the Regulated Markets in which the Company may invest may not be the same as those in more developed markets. In particular some or all of the following additional risks may be associated with settlement and clearing of securities transactions in such less developed markets. Such risks may include (a) the risk of nationalisation or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty including war; (c) price fluctuations, less liquidity and smaller capitalisation of securities markets; (d) currency exchange rate fluctuations; (e) high rates of inflation; (f) controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for US Dollar; (g) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (h) less extensive regulation of the securities markets; (i) longer settlement periods for securities transactions; (j) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (k) as the Company may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Company which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Depositary will have no liability.

(s) **Risk of tracking error**

The performance of certain Funds will be measured against the relevant Benchmark Index. It should be noted that the Company is required to comply with the standard investment and borrowing restrictions for UCITS, for example, under the current UCITS restrictions, the Company will be required (among other things) to limit holdings in a single investee company to 10% of its Net Asset Value of each Fund. This could give rise to a difference between the performance of the Benchmark Index and the Fund if the Benchmark Index has one or more constituent holdings comprising a greater than 10% weighting.

(t) **Hedged Share Class risk**

With regard to any Hedged Share Classes that may be available from time to time, it should be noted that the hedging strategy employed by a Fund will not completely eliminate the exposure of Hedged Share Classes to movements of the Euro or US Dollar versus other currencies. This may be for a number of reasons including, without limitation, (i) the likelihood that not all currencies within a Fund will be hedged, (ii) hedging transactions may be effected some time after subscription proceeds are credited to a Fund, (iii) hedging transactions may be effected by reference to a benchmark selected by a Fund and not by reference to the actual currency composition of a Fund and, (iv) constructing a hedging strategy that ensures ongoing compliance with limits in the Prospectus and/or under applicable law and regulation relating to the use of derivatives can result in a strategy that is unlikely to result in a perfect hedge of currency exposures at all times. While a Fund may attempt to hedge this risk, there can be no guarantee that it will be successful in doing so. The use of hedging strategies may substantially limit Shareholders in the relevant Hedged Share Class from benefiting if the Hedged Share Class currency falls against the Base Currency and/or the currency in which some or all of the assets of the relevant Fund are denominated. While it is intended that hedging strategies may be employed, the Investment Manager or its delegates are not obliged to do so and to the extent that such strategies are not employed, the Hedged Share Classes will be subject to exchange rate risk in relation to the Base Currency of the relevant Fund.

(u) **Risks of Funds that invest in below-investment grade debt**

Below investment grade debt may be highly leveraged and carry a greater risk of default. In addition, below investment grade debt 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 below investment grade debt securities than on higher rated fixed-income securities.

(v) **Emerging Markets/Frontier Markets**

Emerging/frontier market regions are subject to special risks associated with investment in an emerging/frontier market including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes (including without limitation jurisdictional capital gains taxes); higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; custodial and/or settlement systems may not be fully developed which may expose a Fund to sub-custodial risk; the risk of expropriation of assets and the risk of war. There could be additional impacts on the value of a Fund as a result of sustainability risks, in particular those caused by environmental changes related to climate change, social issues (including relating to labour rights) and governance risk (including but are not limited to risks around board independence, ownership & control, or audit & tax management). Additionally, disclosures or third-party data coverage associated with sustainability risks is generally less available or transparent in these markets.

In addition the following considerations, which apply to some extent to all international investments, are of particular significance in certain smaller emerging and frontier markets. Funds

investing in equities (see “Investment Objectives and Policies” section above) may include investments in certain smaller emerging and frontier markets, which 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. The prospects for economic growth in a number of these markets are considerable and equity returns have the potential to exceed those in mature markets as growth is achieved. However, share price and currency volatility are generally higher in emerging and frontier markets.

Some 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 which may be exacerbated by climate change. Certain economies also depend to a significant degree upon exports of primary commodities and, therefore, are vulnerable to changes in commodity prices which, in turn, may be affected by a variety of factors.

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 and frontier markets may impose different capital gains taxes on foreign investors.

Generally accepted accounting, auditing and financial reporting practices in emerging and frontier markets may be significantly different from those in developed markets. Compared to mature markets, some emerging and frontier 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 and frontier markets involve higher risks than those in developed markets, in part because a Fund 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.

In certain emerging and frontier markets, registrars are not subject to effective government supervision nor are they always independent from issuers. The possibility of fraud, negligence, undue influence being exerted by the issuer or refusal to recognise ownership exists, which, along with other factors, could result in the registration of a shareholding being completely lost. Investors should therefore be aware that the Funds concerned could suffer loss arising from these registration problems, and as a result of archaic legal systems a Fund may be unable to make a successful claim for compensation.

While the factors described above may result in a generally higher level of risk with respect to the individual smaller emerging and frontier markets, these may be reduced when there is a low correlation between the activities of those markets and/or by the diversification of investments within the relevant Funds.

A Fund that invests in an emerging market may be subject to greater risk of loss than investments in a developed market.

(w) **Investment in the PRC**

For Funds that invest in or are exposed to investment in the PRC, potential investors should also consider the following risk warnings which are specific to investing in or exposure to the PRC.

The PRC is one of the world's largest global emerging markets. The economy in the PRC, which has been in a state of transition from a planned economy to a more market orientated economy, differs from the economies of most developed countries and investing in the PRC may be subject to greater risk of loss than investments in developed markets. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down, greater control of foreign exchange and more limitations on foreign investment policy than those typically found in a developed market. There may be substantial government intervention in the PRC economy, including restrictions on investment in companies or industries deemed sensitive to relevant national interests. The PRC government and regulators may also intervene in the financial markets, such as by the imposition of trading restrictions, which may affect the trading of Chinese securities. The companies in which a Fund invests may be held to lower disclosure, corporate governance, accounting and reporting standards than companies in more developed markets. In addition, some of the securities held by a Fund may be subject to higher transaction and other costs, foreign ownership limits, the imposition of withholding or other taxes, or may have liquidity issues which make such securities more difficult to sell at reasonable prices. These factors may have an unpredictable impact on a Fund's investments and increase the volatility and hence the risk of a loss to the value of an investment in a Fund. Furthermore, market interventions may have a negative impact on market sentiment which may in turn affect the performance of a Fund.

The PRC economy has experienced significant and rapid growth in the past 20 years. However, such growth may or may not continue, and may not apply evenly across different geographic locations and sectors of the PRC economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth of the PRC economy. Furthermore, the PRC government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities markets in the PRC and therefore on the performance of the Fund.

These factors may increase the volatility of any such Fund (depending on its degree of investment in the PRC) and hence the risk of loss to the value of your investment.

(x) **Risk of Investing in the China Interbank Bond Market**

Funds investing in the PRC may invest in the China Interbank Bond Market via the Foreign Access Regime and/or the Bond Connect.

***Investment in China Interbank Bond Market via Foreign Access Regime***

Pursuant to the "Announcement (2016) No 3" issued by the PBOC on 24 February 2016, foreign institutional investors can invest in the China Interbank Bond Market ("Foreign Access Regime") subject to other rules and regulations as promulgated by the PRC authorities.

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in the China Interbank Bond Market may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

### ***Investment in the China Interbank Bond Market via Northbound Trading Link under Bond Connect***

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

Under the prevailing regulations in the PRC, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect (“Northbound Trading Link”). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

The Northbound Trading Link refers to the trading platform that is located outside of the PRC and is connected to CFETS for eligible foreign investors to submit their trade requests for bonds circulated in the China Interbank Bond Market through Bond Connect. HKEX and CFETS will work together with offshore electronic bond trading platforms to provide electronic trading services and platforms to allow direct trading between eligible foreign investors and approved onshore dealer(s) in the PRC through CFETS.

Eligible foreign investors may submit trade requests for bonds circulated in the China Interbank Bond Market through the Northbound Trading Link provided by offshore electronic bond trading platforms (such as Tradeweb and Bloomberg), which will in turn transmit their requests for quotation to CFETS. CFETS will send the requests for quotation to a number of approved onshore dealer(s) (including market makers and others engaged in the market making business) in the PRC. The approved onshore dealer(s) will respond to the requests for quotation via CFETS and CFETS will send their responses to those eligible foreign investors through the same offshore electronic bond trading platforms. Once the eligible foreign investor accepts the quotation, the trade is concluded on CFETS.

On the other hand, the settlement and custody of bond securities traded in the China Interbank Bond Market under Bond Connect will be done through the settlement and custody link between the Central Moneymarkets Unit, as an offshore custody agent, and the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House, as onshore custodian and clearing institutions in the PRC. Under the settlement link, China Central Depository & Clearing Co., Ltd or Shanghai Clearing House will effect gross settlement of confirmed trades onshore and the Central Moneymarkets Unit will process bond settlement instructions from Central Moneymarkets Unit members on behalf of eligible foreign investors in accordance with its relevant rules. Since the introduction in August 2018 of delivery versus payment (DVP) settlement in respect of Bond Connect, the movement of cash and securities is carried out simultaneously on a real time basis.

Pursuant to the prevailing regulations in the PRC, the Central Moneymarkets Unit, being the offshore custody agent recognised by the Hong Kong Monetary Authority open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (i.e., the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner. Therefore, a Fund will be exposed to custody risks with respect to Central Moneymarkets Unit. In addition, as the relevant filings, registration with the People’s Bank of China, and account opening have to be carried out by third parties, including Central Moneymarkets Unit, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and CFETS, a Fund is subject to the risks of default or errors on the part of such third parties.

The precise nature and rights of a Fund as the beneficial owner of the bonds traded in the China Interbank Bond Market through Central Moneymarkets Unit as nominee is not well-defined under PRC law. There is a lack of a clear definition of, and distinction between, legal ownership and beneficial ownership under PRC law and there have been few cases involving a nominee account structure in the PRC courts. The exact nature and methods of enforcement of the rights and

interests of a Fund under PRC law are also uncertain. In the unlikely event that Central Moneymarkets Unit becomes subject to winding up proceedings in Hong Kong there is a risk of dispute on whether the bonds traded in the China Interbank Bond Market are held for the beneficial ownership of the Fund or as part of the general assets of Central Moneymarkets Unit available for general distribution to its creditors.

#### ***Volatility and Liquidity Risk***

Market volatility and potential lack of liquidity due to low trading volume of certain bonds in the China Interbank Bond Market may result in prices of certain bonds traded on such market fluctuating significantly. A Fund investing in such market is therefore subject to liquidity and volatility risks. The bid-ask spreads of the prices of such securities may be large, and a Fund may therefore incur significant costs and may suffer losses when selling such investments. The bonds traded in the China Interbank Bond Market may be difficult or impossible to sell, which may impact a Fund's ability to acquire or dispose of such securities at their expected prices.

#### ***Regulatory Risks***

Investing in the China Interbank Bond Market through Bond Connect is also subject to regulatory risks. The relevant rules and regulations are subject to change, which may have potential retrospective effect, and there can be no assurance that Bond Connect will not be discontinued or abolished. Furthermore, the securities regimes and legal systems of China and Hong Kong differ significantly and issues may arise based on these differences. In the event that the relevant authorities suspend account opening or trading on the China Interbank Bond Market, a Fund's ability to invest in the China Interbank Bond Market will be adversely affected and limited. In such event, a Fund's ability to achieve its investment objective will be negatively affected and, after exhausting other trading alternatives, the Fund may suffer substantial losses as a result. Further, if Bond Connect is not operating, a Fund may not be able to acquire or dispose of bonds through Bond Connect in a timely manner, which could adversely affect the Fund's performance.

Chinese companies, such as those in the financial services or technology sectors, and potentially other sectors in the future, are also subject to the risk that Chinese authorities can intervene in their operations and structure, which may negatively affect the value of a Fund's investments.

#### ***System Failure Risks for Bond Connect***

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. A Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Fund invests in the China Interbank Bond Market through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

#### ***Renminbi Currency Risks***

Bond Connect trades are settled in Chinese currency, the renminbi ("RMB"), which is currently restricted and not freely convertible. As a result, a Fund will be exposed to currency risk, and it cannot be guaranteed that investors will have timely access to a reliable supply of RMB.

#### ***Tax Risk***

Under prevailing tax regulations, a 10% withholding tax is imposed on PRC-sourced dividends and interest from non-government bonds paid to the relevant Fund unless the rate is reduced under an applicable tax treaty.

From 1 May 2016, Value Added Tax (VAT) is levied on certain income derived by the relevant Fund, including interest income from non-government bonds and trading gains, unless specifically exempted by the PRC tax authorities. VAT exemptions currently apply to debt securities traded in the China Interbank Bond Market.

On 22 November 2018, the PRC's Ministry of Finance and State Administration of Taxation jointly issued Circular 108 providing foreign institutional investors with a temporary exemption from withholding income tax and VAT with respect to interest income derived from non-government



bonds in the domestic bond market for the period from 7 November 2018 to 6 November 2021. Circular 108 is silent on the PRC tax treatment with respect to non-government bond interest derived prior to 7 November 2018.

There is a risk the PRC tax authorities may withdraw the temporary tax exemptions in the future and seek to collect withholding income tax and VAT on interest income from non-government bonds to the relevant Fund without prior notice. If the tax exemptions are withdrawn, any taxes arising from or to the relevant Fund may be directly borne by or indirectly passed on to the Fund and may result in a substantial impact to its Net Asset Value. As with any Net Asset Value adjustment, investors may be advantaged or disadvantaged depending on when the investors purchased or sold Shares of the Fund.

Any changes in PRC tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the PRC tax authorities may result in a loss which could be material to the relevant Fund. The Investment Manager will keep the provisioning policy for tax liability under review and may, in its discretion from time to time, make a provision for potential tax liabilities if in its opinion such provision is warranted or as further publicly clarified by the PRC.

(y) **Risks related to Investment in the PRC via the Stock Connect**

In addition to the risk factors under the heading "Investment in the PRC" and other applicable risk factors, the following risk factors apply to the Stock Connect Funds:

**Stock Connect**

Funds investing in the PRC may invest in China A Shares trading on the SSE and SZSE via Stock Connect ("Northbound Trading"). The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, SSE and ChinaClear and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, SZSE and ChinaClear. The aim of Stock Connect is to achieve mutual stock market access between the PRC and Hong Kong.

HKSCC, a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A Shares traded through Stock Connect are issued in scripless form, and investors will not hold any physical China A Shares.

Although HKSCC does not claim proprietary interests in the SSE and SZSE securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE and SZSE securities.

Under the Stock Connect, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant Mainland Chinese authority when they trade and settle SSE securities and SZSE securities. Further information about the trading fees and levies is available online at the website: [http://www.hkex.com.hk/eng/market/sec\\_tradinfra/chinaconnect/chinaconnect.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm).

Investing in China A Shares via Stock Connect bypasses the requirement to obtain RQFII status which is required for direct access to the SSE and SZSE.

**Quota Limitations**

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

### **Legal / Beneficial Ownership**

The China A Shares invested in via the Stock Connect will be held by the Depository/sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the China A Shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connect Funds. The precise nature and rights of the Stock Connect Funds as the beneficial owners of the China A Shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Stock Connect Funds under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the China A Shares will be regarded as held for the beneficial ownership of the Stock Connect Funds or as part of the general assets of HKSCC available for general distribution to its creditors.

For completeness, the CSRC has provided information titled "*FAQ on Beneficial Ownership under SH-HK Stock Connect*" dated 15 May 2015 in relation to beneficial ownership (the "FAQ"). The relevant sections from the FAQ have been extracted and reproduced below:

***Do overseas investors enjoy proprietary rights in the SSE Securities acquired through the Northbound Trading Link as shareholders? Are the concepts of "nominee holder" and "beneficial owner" recognized under Mainland China law?***

*Article 18 of the Administrative Measures for Registration and Settlement of Securities (the "Settlement Measures") states that "securities shall be recorded in the accounts of the securities holders, unless laws, administrative regulations or CSRC rules prescribe that the securities shall be recorded in accounts opened in the name of nominee holders". Hence, the Settlement Measures expressly provides for the concept of nominee shareholding. Article 13 of the Certain Provisions on Shanghai-Hong Kong Stock Connect Pilot Program (the "CSRC Stock Connect Rules") states that shares acquired by investors through the Northbound Trading Link shall be registered in the name of HKSCC and that "investors are legally entitled to the rights and benefits of shares acquired through the Northbound Trading Link". Accordingly, the CSRC Stock Connect Rules have expressly stipulated that, in Northbound trading, overseas investors shall hold SSE Securities through HKSCC and are entitled to proprietary interests in such securities as shareholders.*

***How do overseas investors bring legal action in the Mainland China to realise their rights over the SSE Securities acquired through the Northbound Trading Link?***

*Mainland China law does not expressly provide for a beneficial owner under the nominee holding structure to bring legal proceedings, nor does it prohibit a beneficial owner from doing so. As we understand, HKSCC, as the nominee holder of the SSE Securities in Northbound Trading Link, may exercise shareholder rights and take legal actions on behalf of overseas investors. In addition, Article 119 of the Civil Procedure Law of the People's Republic of China states that "the claimant in a legal action shall be an individual, legal person or any other organization that has a direct interest in the relevant case". As long as an overseas investor can provide evidential proof of direct interest as a beneficial owner, the investor may take legal actions in its own name in Mainland China courts.*

### **Clearing and Settlement Risk**

HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in respect of China A Shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding

stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Stock Connect Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

### ***Suspension Risk***

It is contemplated that the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator will be sought before a suspension is triggered. Where a suspension is effected, the relevant Stock Connect Fund's ability to access the PRC market will be adversely affected.

### ***Differences in Trading Day***

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

### ***Restrictions on Selling Imposed by Front-end Monitoring***

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If a Stock Connect Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. A Stock Connect Fund may request its custodian to open a Special Segregated Account ("SPSA") in CCASS to maintain its holdings in SSE and SZSE securities, in which case it will only need to transfer SSE or SZSE securities from its SPSA to its designated broker's account after execution and not before placing the sell order.

To the extent a Stock Connect Fund is unable to utilize the SPSA model, it would have to deliver SSE or SZSE securities to its brokers before the market opens on the trading day. Accordingly, if there are insufficient China A Shares in the Stock Connect Fund's account before the market opens on the trading day, the sell order will be rejected, which may adversely impact the Stock Connect Fund's performance.

### ***Operational Risk***

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Stock Connect Fund's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

### ***Regulatory Risk***

The current regulations that govern Stock Connect are subject to change and there can be no assurance that the Stock Connect will not be discontinued. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. Stock Connect Funds may be adversely affected as a result of such changes.

Chinese companies, such as those in the financial services or technology sectors, and potentially other sectors in the future, are also subject to the risk that Chinese authorities can intervene in their operations and structure, which may negatively affect the value of a Fund's investments.

***Recalling of Eligible Stocks***

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but is restricted from being bought. This may restrict the ability of the relevant Stock Connect Fund to acquire the shares of one or more constituents of its Benchmark Index and therefore may impact on the ability of the relevant Stock Connect Fund to track closely the performance of its Benchmark Index.

***No Protection by Investor Compensation Fund***

Investment in China A Shares via the Stock Connect is conducted through brokers, and is subject to the risk of default by such brokers in their obligations. Investments of Stock Connect Funds are not covered by Hong Kong's investor compensation fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of China A Shares invested in via the Stock Connect do not involve products listed or traded on the SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the investor compensation fund. Therefore the Stock Connect Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connect.

***Taxation Risks***

The PRC tax authorities have also made announcements that gains derived from China A Shares' investments via the Stock Connect would be temporarily exempted from PRC taxation effective from 17 November 2014. This temporary exemption applies to China A Shares generally, including shares in PRC 'land-rich' companies. The duration of the period of temporary exemption has not been stated and may be subject to termination by the PRC tax authorities with or without notice and, in the worst case, retrospectively. If the temporary exemption is withdrawn the relevant Stock Connect Funds would be subject to PRC taxation in respect of gains on China A Shares and the resultant tax liability would eventually be borne by investors. However, this liability may be mitigated under the terms of an applicable tax treaty, and if so, such benefits will also be passed to investors.

***Settlement Mode under the SPSA model***

Under the normal Delivery Versus Payment (DVP) settlement mode, stock and cash settlement will take place on T+0 between clearing participants (i.e. brokers and custodian or a custodian participant) with a maximum window of 4 four hours between stocks and cash movement. This applies to settlement in CNH (offshore Renminbi) only and on the condition that the brokers support same-day Chinese Renminbi cash finality. Under the Real time Delivery Versus Payment (RDVP) settlement mode introduced in November 2017, stock and cash movement will take place real time, however, the use of RDVP is not mandatory. The clearing participants must agree to settle the transaction using RDVP and indicate RDVP on the settlement instruction in a specific field. If either of the clearing participants are unable to settle the trades using RDVP, there is a risk that the trades could fail.

(a) **Credit rating risk**

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. 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.

**(b) Risks of Funds that invest in TBA 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.

**(c) Securities lending risk**

The Funds may engage in securities lending through BlackRock Advisors (UK) Limited. The relevant Fund may have a credit risk exposure to the counterparties to any securities lending contract. Investments can be lent to counterparties over a period of time. A default by the counterparty and/or a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the relevant Fund. The securities lending agent 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 relevant Fund will have a credit risk exposure to the counterparties to the securities lending contracts. To mitigate these risks, the relevant Fund benefits from a borrower default indemnity provided by BlackRock, Inc. The indemnity allows for full replacement of the securities lent if the collateral received does not cover the value of the securities loaned in the event of a borrower default.

**(d) Government bond risk**

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

**(e) Duration risk**

As certain of the Funds may invest in bonds, such Funds will be subject to the risk that the value of such Funds’ investments will change due to a change in the level of interest rates. Rising interest rates will lead to falling bond prices, while declining interest rates will lead to rising bond prices. Duration is a measure of the sensitivity of the price (the value of principal) of a bond to a change in interest rates and is expressed in number of years.

(f) **Liquidity risk**

Certain of the Funds' investments may be subject to liquidity constraints, and accordingly, such Funds may trade less frequently and in small volumes. Securities of certain types, such as bonds and mortgage-backed instruments, may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable. In certain cases, it may not be possible to sell the security at the price at which it has been valued for the purposes of calculating the Net Asset Value of the Fund or at a value considered to be fairest. Reduced liquidity of a Fund's investments may result in a loss to the value of your investment in the relevant Fund.

(g) **Taxation risk**

Potential investors' attention is drawn to the taxation risks associated with investment in the Company. See section headed "Taxation".

The tax information provided in the "Taxation" section is based, to the best knowledge of the Manager upon tax law and practice as at the date of the Prospectus. Tax legislation, the tax status of the Company, the taxation of investors and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where the Company is registered, cross-listed, marketed or invested could affect the tax status of the Company, affect the value of the Company's investments in the affected jurisdiction, affect the Company's ability to achieve its investment objective, and/or alter the post-tax returns to Shareholders. Where the Company 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. Prospective 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.

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 Fund.

The Company (or its representative) may file claims on behalf of the Funds to recover withholding tax on dividend and interest income (if any) received from issuers in certain countries where such withholding tax reclaim is possible. Whether or when a Fund will receive a withholding tax refund in the future is within the control of the tax authorities in such countries. Where the Company expects to recover withholding tax for a Fund based on a continuous assessment of probability of recovery, the Net Asset Value of that Fund generally includes accruals for such tax refunds. The Company continues to evaluate tax developments for potential impact to the probability of recovery for such Funds. If the likelihood of receiving refunds materially decreases, for example due to a change in tax regulation or approach, accruals in the relevant Fund's Net Asset Value for such refunds may need to be written down partially or in full, which will adversely affect that Fund's Net Asset Value. Investors in that Fund at the time an accrual is written down will bear the impact of any resulting reduction in Net Asset Value regardless of whether they were investors during the accrual period. Conversely, if the Fund receives a tax refund that has not been previously accrued, investors in the Fund at the time the claim is successful will benefit from any resulting increase in the Fund's Net Asset Value. Investors who disposed of their interest in Shares prior to such time will not benefit from such Net Asset Value increase.

In addition, 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 Manager, the Investment Manager, the Principal Distributor, the Depositary and the Administrator

shall not be liable to account to any Shareholder for any payment made or suffered by the relevant Fund in good faith to a fiscal authority for taxes or other charges of the 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 read the information set out under the heading "FATCA and other cross-border reporting systems", particularly in relation to the consequences of a Fund being unable to comply with the terms of such reporting systems.

**(h) Risk of NAV adjustment**

The determination of whether to apply an adjustment to the NAV as described under "Prices of Shares" below is based on the net transaction activity on a Dealing Day. In the case of net subscriptions on a Dealing Day redeeming Shareholders may benefit at the expense of the investors subscribing for Shares in the relevant Fund. The opposite is also possible in the case of net redemptions. In addition, the Fund's NAV and short-term performance may experience greater volatility as a result of this valuation methodology.

**(i) Governmental Intervention Risk**

In response to a recession, economic slowdown or financial market instability, governments and regulators may choose to intervene by implementing austerity measures and reforms, as seen in the 2007-2008 global financial crisis. There is no guarantee that a government or regulatory intervention will work and they may result in social unrest, limit future growth and economic recovery or have unintended consequences. Additionally, government and regulatory intervention 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 temporary or permanent governmental restrictions may be imposed on the markets in the future and/or the effect of such restrictions on the Investment Manager's ability to implement a Fund's investment objective, the European or global economy or the global securities markets. Instability in the global financial markets or government intervention may increase the volatility of a Fund and hence the risk of loss to the value of your investment.

**(j) Equity Securities**

The value of equity securities fluctuates daily and a Fund investing in equities could incur significant losses. The prices of equities can be influenced by factors affecting the performance of the individual companies issuing the equities, as well as by daily stock market movements, and broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and natural disasters.

**(k) Investments in Japan**

Japan is located in a part of the world that has historically been prone to natural disasters, such as earthquakes, volcanoes, and tsunamis, and is economically sensitive to environmental events. In addition, the nuclear power plant catastrophe in March 2011 may have short-term and long-term effects on the nuclear energy industry, the extent of which are currently unknown. As with other countries, Japan may be subject to political and economic risks. Historically, Japan has had unpredictable national politics and has experienced frequent political turnover. Political developments may lead to changes in policy which might adversely affect a Fund's investments. The Japanese economy is heavily dependent on foreign trade and can be adversely affected by trade tariffs and other protectionist measures. In addition, some Japanese reporting, accounting and auditing practices vary from the accounting principles generally accepted in other developed

countries such as the United States. Any of these risks, individually or in the aggregate, could result in a significant adverse impact on the Japanese economy and the securities to which a Fund has exposure and, in turn, result in a loss to your investment.

**(l) Concentration Risk**

If the Benchmark Index of a Fund concentrates in a particular country, region, industry, group of industries, sector or specific theme that Fund may be adversely affected by the performance of those securities and may be subject to price volatility. In addition, a Fund that concentrates in a single country, region, industry or group of countries or industries may be more susceptible to any single economic, market, political, sustainability-related or regulatory occurrence affecting that country, region, sector, industry or group of countries or industries. Such a Fund may be more susceptible to greater price volatility when compared to a more diverse fund. This could lead to a greater risk of loss to the value of your investment. The Funds that are replicating index Funds per the Regulations may invest more than 10% and up to 20% of their Net Asset Value in shares issued by the same body in order to replicate their respective Benchmark Indices. This limit may be raised to 35% for a single issuer, where this is justified by exceptional market conditions, for example, market dominance. Market dominance exists where a particular constituent of the Benchmark Index has a dominant position in the particular market sector in which it operates and as such accounts for a large proportion of the Benchmark Index. This means that such a Fund may have a high concentration of investment in one company, or a relatively small number of companies, and may therefore be more susceptible to any single economic, market, political or regulatory occurrence affecting that company or those companies.

**(m) Investments in Small and Mid Capitalisation Companies**

The securities of small and mid capitalisation companies tend to be more volatile and less liquid than the securities of large companies. As securities of small and mid capitalisation companies may experience more market price volatility than securities of larger companies, the Net Asset Value of any Funds which invest in small and mid capitalisation companies may reflect this volatility. Small and mid capitalisation companies, as compared with larger companies, may have a shorter history of operations, may not have as great an ability to raise additional capital, may have a less diversified product line making them susceptible to market pressure and may have a smaller public market for their securities. Investment in small and mid capitalisation companies may involve relatively higher investment costs and accordingly investment in Funds which invest in small and mid capitalisation companies should be viewed as a long-term investment. Such Funds may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares. As a result of the above risks, a Fund's investments can be adversely affected and the value of your investments may go up or down.

**(n) Ownership interests**

BlackRock or its Affiliates own or have an ownership interest in certain trading, portfolio management, operations and/or information systems used by Fund service providers. These systems are, or may be, used by a Fund's service provider in connection with the provision of services to accounts managed by BlackRock and funds managed and sponsored by BlackRock, including the Funds, that engage the service provider (typically the custodian). A Fund's service provider remunerates BlackRock or its Affiliates for the use of the systems. A Fund's service provider's payments to BlackRock or its Affiliates for the use of these systems may enhance the profitability of BlackRock and its Affiliates. BlackRock's or its Affiliates' receipt of fees from a service provider in connection with the use of systems provided by BlackRock or its Affiliates may create an incentive for BlackRock to recommend that a Fund enter into or renew an arrangement with the service provider.

**(o) Bank Corporate Bonds**

Corporate bonds issued by a financial institution may be subject to the risk of a write down or conversion (i.e. "bail-in") by a relevant authority in circumstances where the financial institution is unable to meet its financial obligations. This may result in bonds issued by such financial institution being written down (to zero), converted into equity or alternative instrument of ownership, or the terms of the bond may be varied. 'Bail-in' risk refers to the risk of relevant



authorities exercising powers to rescue troubled banks by writing down or converting rights of their bondholders in order to absorb losses of, or recapitalize, such banks. Investors should be alerted to the fact that relevant authorities are more likely to use a “bail-in” tool to rescue troubled banks, instead of relying on public financial support as they have in the past. Relevant authorities now consider that public financial support should only be used as a last resort after having assessed and exploited, to the maximum extent practicable, other resolution tools, including the “bail-in” tool. A bail-in of a financial institution is likely to result in a reduction in value of some or all of its bonds (and possibly other securities) and a Fund holding such securities when a bail-in occurs will also be similarly impacted.

**(p) Potential implications of Brexit**

On 31 January 2020 the United Kingdom (the “UK”) formally withdrew and ceased being a member of the European Union (the “EU”). Following this, the UK entered into a transition period which lasted for the remainder of 2020, during which period the UK was subject to applicable EU laws and regulations. The transition period expired on 31 December 2020, and EU law no longer applies in the UK.

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

Volatility resulting from this uncertainty may mean that the returns of a Fund’s Investments are affected by market movements, the potential decline in the value of Sterling or Euro, and the potential downgrading of sovereign credit ratings of the UK or an EU member state.

**(q) Euro and Eurozone Risk**

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, exacerbated the global economic crisis. There is a continued possibility that Eurozone countries could be subject to an increase in borrowing costs. This situation as well as the United Kingdom’s referendum have raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union. The departure or risk of departure from the Euro by one or more Eurozone countries could lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of a Fund’s investments. Investors should carefully consider how any potential changes to the Eurozone and European Union may affect their investment in a Fund.

**(r) Reference Rate Risk**

Certain of the Funds’ investments, benchmarks and payment obligations may be based on floating rates, such as the European Interbank Offer Rate (“EURIBOR”), Sterling Overnight Index Average (“SONIA”), and other similar types of reference rates (“Reference Rates”). The changes or reforms to the determination or supervision of Reference Rates could have an adverse impact on the market for, or value of, any securities or payments linked to those Reference Rates. In addition, any substitute Reference Rate and any pricing adjustments imposed by a regulator or by counterparties or otherwise may adversely affect a Fund’s performance and/or Net Asset Value.

(s) **Risks specific to BlackRock Sustainable Global Allocation Tailored Fund (the "Fund")**

**ESG Policy risk**

The Fund will, in addition to other investment criteria set out in its investment policy, take into account, in accordance with that policy, environmental, social and governance ("ESG") characteristics when selecting the Fund's investments. Investors should refer to the Fund's ESG Policy or more information.

The Fund's ESG Policy includes the application of ESG-based exclusionary criteria which may result in such Fund foregoing opportunities to purchase, or otherwise reducing exposure to or underweighting, certain securities when it might otherwise be advantageous to carry out such purchase or maintain its holding of such securities, and/or selling securities due to their ESG characteristics, when to do so might otherwise be disadvantageous. As such, the use of such criteria may affect the Fund's investment performance and the Fund may perform differently compared to similar funds that do not apply such criteria. If the Investment Manager's assessment of ESG characteristics of a security changes, guiding the Investment Manager to sell a security already held or to buy a security not held, none of the Fund, the Company, the Manager, the Investment Manager nor their affiliates accept liability in relation to that assessment.

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

**Investment in asset-backed and mortgage-backed securities**

***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.

The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. ABS and mortgage-backed securities (MBS) are often exposed to extension risk (where obligations on the underlying assets are not paid on time) and prepayment risks (where obligations on the underlying assets are paid earlier than expected), these risks may have a substantial impact on the timing and size of the cashflows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

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

### ***Generic risks related to 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, the 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 entity 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 extremely high 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 the 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.

***In addition to the risk factors set out above, potential investors in the Index Funds should consider the following risk factors before investing in an Index Fund:***

#### **a) Passive Investment Risks**

The Index Funds are not actively managed and may be affected by a general decline in market segments related to their respective Benchmark Indices. The Index Funds invest in securities included in, or representative of, their respective Benchmark Indices, and the Index Funds do not attempt to take defensive positions under any market conditions, including declining markets.

#### **b) Index Tracking Risks**

While the Index Funds, in accordance with their investment objectives, 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 the Index Funds may potentially be subject to tracking error, 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 (although this is not the expected cause of tracking error for non-replicating Index Funds), 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 and/or where the UCITS Requirements limit exposure to the constituents of the Benchmark Index. Where the Benchmark Index of an Index Fund is to be rebalanced and the Index Fund seeks to rebalance its portfolio accordingly, the Index Fund may nevertheless experience tracking error where the rebalancing of the Index Fund's portfolio does not maintain an exact or contemporaneous alignment, whether on a replicating or an optimised basis, with the Benchmark Index. For liquidity purposes, the Index Fund may hold a portion of its net assets in cash and such cash holdings will not rise and fall in line with movements in the Benchmark Index. In addition, the Company relies on index licences granted by third-party index providers to use and track the Benchmark Indices for its Index Funds. In the event that an index provider terminates or varies an index licence, it will affect the ability of the impacted Index Funds to continue to use and track their Benchmark Indices and to meet their investment objectives. In such circumstances, in order to meet its investment objective, an Index Fund may also gain exposure to its Benchmark Index through investment in other financial instruments including FDIs in accordance with its investment policy. Alternatively, the Directors may take such action as described in the section entitled “Benchmark Indices”. Regardless of market conditions, the Index Funds aim to track the performance of their respective Benchmark Indices and do not seek to outperform their respective Benchmark Indices.

### **c) Index-Related Risks**

As prescribed in this Prospectus, in order to meet its investment objective, each Index Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant Benchmark Index as published by the relevant index provider. There is no assurance that the 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 their indices, and does not guarantee that the Benchmark Index will be in line with their described index methodology. The Investment Manager's mandate, as described in this Prospectus, is to manage the Index Funds consistently with the relevant Benchmark Index provided to the Investment Manager. Consequently, the Investment Manager does not provide any warranty or guarantee for index provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where the indices are less commonly used. Therefore gains, losses or costs associated with index provider errors will be borne by the Index Funds and their Shareholders. For example, during a period where a Benchmark Index contains incorrect constituents, an Index Fund tracking such published Benchmark Index would have market exposure to such constituents and would be underexposed to the Benchmark Index's other constituents. As such, errors may result in a negative or positive performance impact to the Index Funds and their Shareholders and any losses resulting from index provider errors will be borne by the Index Funds and their Shareholders.

Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to the Benchmark Index in order, for example, to correct an error in the selection of index constituents. Where the Benchmark Index of an Index Fund is rebalanced and the Index Fund in turn rebalances its portfolio to bring it in line with its Benchmark Index, any transaction costs (including any capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne by the Index Fund and its Shareholders. Unscheduled rebalances to the Benchmark Indices may also increase the relevant Index Funds' tracking error, which is the risk that its returns may not track exactly those of its Benchmark Index. Therefore, errors and additional ad hoc rebalances carried out by the index provider to a Benchmark Index may increase the costs and market exposure risk of the relevant Index Fund.

### **d) Optimising Strategy**

It may not be practical or cost efficient for an Index Fund to replicate its Benchmark Index. Non-replicating Index Funds may use optimisation techniques to track the performance of their Benchmark Index, which is described under "Investment Objective and Policies". Optimisation techniques may include the strategic selection of some (rather than all) of the securities that make up the relevant Index Fund's Benchmark Index, holding securities in proportions that differ from the proportions of the Index Fund's Benchmark Index and/or the use of FDIs to track the performance of certain securities that make up the Index Fund's Benchmark Index. Non-replicating Index Funds which utilise optimisation techniques may potentially be subject to higher (or increased) tracking error, which is the risk that their returns may not track exactly those of their respective Benchmark Indices.

### **e) Index Disruption Risk**

Disruptions to the calculation and publication of a Benchmark Index ("Index Disruption Events") include, but are not limited to, situations where: a Benchmark Index level is deemed to be inaccurate or does not reflect actual market developments; it is not possible to obtain a price or value of one or several constituents of a Benchmark Index (such as due to their becoming illiquid or having their quotation suspended on a stock exchange); the index provider fails to calculate and publish the Benchmark Index level; a Benchmark Index is temporarily suspended or permanently discontinued by the index provider. Such Index Disruption Events may have an impact on the accuracy and/or availability of the published price of a Benchmark Index and in some instances also the Net Asset Value of an Index Fund.

## EXCESSIVE TRADING POLICY

The Manager does not knowingly allow investments that are associated with excessive trading practices as such practices may adversely affect the interests of all 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.

Shareholders 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 Manager, too frequent or appears to follow a timing pattern.

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

- (i) in specie redemptions – see section entitled Subscriptions/Redemptions In Specie; and
- (ii) switching rights – see section entitled Switching Between Funds and Classes.

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

- (i) 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 Manager reserves the right to reject any application for switches, conversions, transfers and/or subscription of Shares from investors whom they consider to be excessive traders; and
- (ii) levy a redemption charge of 2 per cent. of the redemption proceeds to Shareholders whom the Manager, in its reasonable opinion, suspects of excessive trading. This charge will be made for the benefit of the relevant Fund, and affected Shareholders will be notified in their contract notes if such a fee has been charged.

## EXCHANGE CONTROL

Under current legislation in Ireland, there are no exchange control laws or regulations in effect which would affect either the Company or its Shareholders.

## MANAGEMENT AND ADMINISTRATION

The Directors control the affairs of the Company and are responsible for the overall investment policy, which will be determined by them and given to the Manager from time to time. The Manager has delegated certain of its duties to the Investment Manager and Administrator.

## THE DIRECTORS

The Company shall be managed and its affairs supervised by the Directors whose details (including nationality) are set out below. The Directors are all non-executive Directors of the Company. The address of the Directors is the registered office of the Company.

**Barry O'Dwyer (Irish) - Chairman of the Board, Non-Executive Director and member of the Nomination Committee.** Barry has over 30 years' experience in the Financial Services industry with a primary focus on asset management. He retired from BlackRock in August 2022 where he had a distinguished career spanning 23 years. He was a senior leader in their technology and operations function, the CEO for their Irish MiFID business, Head of BlackRock's Irish Office (+100 people) and Head of Funds Governance in Europe where he oversaw the governance of over 400 entities and assets exceeding \$1.7tn. He was Chairman of the Irish Funds Industry Association 2014-2015 and was a member of An Taoiseach's Financial Services Industry Advisory Committee 2015-2018. He has been a board director of Financial Services Ireland and of the Irish Association of Investment Managers.



**Tom McGrath (Irish) - Non-Executive Director.** Tom McGrath, Director, is Head of the COO team within the International Cash business, part of BlackRock's Global Lending and Liquidity group. As one of the world's largest Money Market Fund providers, the global BlackRock Cash Management Group manages liquidity assets across multiple currencies for corporations, banks, foundations, insurers, hedge funds as well as asset and wealth managers. In his role, Mr. McGrath is responsible for the day to day management of the business with a focus on operating risk mitigation and change management linked to client, regulatory and corporate change. Prior to his current role, Mr. McGrath was Head of International Fund Financial Reporting where he was responsible for the day to day relationship with 3rd party service providers who provide financial reporting services to BlackRock, including BNYM, SSB & JPM. He also managed the day to day relationship with audit firms, audit committees and Boards of Directors for all financial reporting and audit related matters. In this role he was also responsible for a number of Designated Person roles for BlackRock's management company in Ireland ("BAMIL"). Mr. McGrath previously served as a member of Irish Funds Council and was a member of the Irish government's IFSC Steering Group before he moved to his current role in December 2017.

Mr. McGrath joined BlackRock in 2011. He began his career in financial services in 1998. Tom is a Fellow of the Association of Chartered Certified Accountants and holds a Diploma in International Financial Reporting

**Nicola Grenham (British) – Independent non-Executive Director.** Dr. Grenham's career spans over 30 years in alternative investments.

She has significant knowledge and experience on the buy and sell sides of the industry in both public and private markets. In 1990 Nicola founded TASS, which became one of the market's leading global data and research firms specialising in hedge funds. The company was women owned and managed. Post selling the business, she joined Blackstone in London to establish the group's hedge fund activities outside the US. Several years later, Nicola joined Alpha Strategic Plc as CEO; the UK listed company provided independent, owner-managed investment managers with access to passive minority equity capital. Today she serves as an independent director to funds and corporate entities in the asset management sector. Nicola also runs Dumas Capital, her boutique consulting company.

Nicola has a PhD from Trinity College, Dublin. In 2017, Hedge Funds Review awarded her a Life Time Achievement Award for services to the Hedge Fund Industry.

**Francis Drought (Irish) – Non-Executive Director.** Mr. Drought is a Director at BlackRock. He is the Designated Person for Financial and Capital Management for BlackRock Asset Management Ireland Limited. He leads an Irish based team who focus on governance, accounting change management, risk management and exception management for products domiciled in Ireland.

Prior to joining BlackRock in 2012, Mr. Drought spent seven years in various roles within J.P. Morgan in Ireland. Mr Drought is a Fellow of the Association of Chartered Certified Accountants and holds a Degree in Electronic Engineering with a Masters in Financial and Industrial Mathematics.

The BlackRock Group employees serving as Directors of the Company are not entitled to receive Directors' fees.

The Directors have no unspent convictions in relation to indictable offences, have never been declared bankrupt, nor have they been the subject of an individual voluntary arrangement or a receivership of any assets held by them. The Directors have not been directors with an executive function of any company at the time of or within the 12 months preceding its bankruptcy, receivership administration, liquidation administration, company voluntary arrangement or composition or arrangement with its creditors generally. The Directors have not been partners of any partnership at the time or within 12 months preceding its compulsory liquidation, administration or partnership voluntary arrangement. The Directors have not had a receiver appointed over any of their assets or of any of the assets of a partnership of which they were a partner within 12 months after they ceased to be a partner of that partnership. There have been no public criticisms of the Directors by any statutory or regulatory authority nor have the Directors ever been disqualified by a court from acting as directors of a company or from acting in the management or conduct of the affairs of any company.

## THE MANAGER

The Company has appointed BlackRock Asset Management Ireland Limited as its manager pursuant to the Management Agreement. Under the terms of the Management Agreement, the Manager has responsibility for the management and administration of the Company's affairs and the distribution of the Shares, subject to the overall supervision and control of the Directors.

The Manager has delegated the performance of the investment management functions in respect of the Company to the Investment Manager and the administrative functions to the Administrator. Furthermore, under the Management Agreement, the Manager may appoint distributors in respect of the Shares.

The Manager is a private company limited by shares and was incorporated in Ireland on 19 January 1995. It is ultimately a subsidiary of BlackRock, Inc. The Manager has an authorised share capital of £1 million and an issued and fully paid up share capital of £125,000. The Manager's main business is the provision of fund management and administration services to collective investment schemes such as the Company. The Manager is also the Manager of a number of other funds including: iShares plc, iShares II plc, iShares III plc, iShares IV plc, iShares V plc, iShares VI plc, iShares VII plc, Institutional Cash Series plc, Specialist Dublin Funds I Trust, BlackRock Alternative Strategies II, BlackRock Selection Fund, BlackRock Index Selection Fund, BlackRock Active Selection Fund, BlackRock Specialist Strategies Funds, BlackRock Liability Solutions Funds (Dublin), BlackRock Liability Solutions Funds II (Dublin), BlackRock Liability Solutions Funds III (Dublin), BlackRock Liability Matching Funds (Dublin), BlackRock Fixed Income Dublin Funds plc, BlackRock Fixed Income GlobalAlpha Funds (Dublin), BlackRock Infrastructure Funds plc, BlackRock Infrastructure Funds ICAV, BlackRock UCITS Funds, BlackRock Alternatives Funds ICAV, BlackRock Common Contractual Funds, BlackRock Funds I ICAV, BlackRock Solutions Funds ICAV and EFIV Irish Property ICAV. The Secretary also acts as company secretary of the Manager.

The board of directors of the Manager is as follows:

**Rosemary Quinlan - Chair of the Board, Independent Non-Executive Director, (Irish):** Ms Quinlan is a Chartered Director and a Certified Bank Director and has been an Independent Board Director since 2013 and an Executive Board Director since 2006. Ms Quinlan has over 34 years' experience working with global financial services companies. She was appointed Chair of the Board of BlackRock Asset Management Ltd. Ireland in June 2022. Ms Quinlan also currently Chairs the Board Risk Committee of AXA Ireland DAC (CBI) and sits on the Board of Dodge & Cox Funds Worldwide plc (CBI), where she has held the role of Organisational Effectiveness Director. Most recently (2023) Ms Quinlan was the Chair of the Board Risk Committee of Ulster Bank Ireland DAC (SSM/CBI) and was Chair of the Board of JP Morgan Money Markets Ltd. (FCA) and JP Morgan Ireland PLC (2022) (CBI). Previously she was a Board member and Committee Chair with RSA Insurance Ireland DAC, Prudential International Assurance PLC, Ulster Bank Ltd and HSBC Securities Services Ireland DAC. For each of her Board roles Ms Quinlan held both Chair and member roles for Board Risk, Audit, Remuneration and Nomination Committees. In her Executive Career, Ms Quinlan held Executive roles with HSBC Bank plc, ABN AMRO BV, Citi and NatWest in London, New York, Amsterdam, Chicago and in Dublin (when she relocated to Ireland in 2006). Rosemary has completed a Sustainability Leadership Programme with the University of Cambridge, a Masterclass in Bank Governance and ESG Integration and more recently the Certified Investment Fund Director programme. She is current undertaking a course with MIT Sloane School of Management on Artificial Intelligence and the Implications for Business Strategy. Ms Quinlan holds a Bachelor of Commerce from University College Cork.

**Adele Spillane - Non-Executive Director, (Irish):** Ms Spillane has over 25 years experience in financial services as well as significant governance experience. Prior to moving into a Non-Executive career, Ms Spillane served on the Board of BlackRock's UCITS and AIF Management Company as an Executive Director continuously since 2015. In her executive career at BlackRock, she was most recently Managing Director and Head of BlackRock's Institutional Client Business in Ireland (since 2011). Before that, she was a senior client director for BlackRock's largest UK institutional investors, broadening and deepening client relationships through in-depth investment knowledge coupled with understanding the clients' investment challenge. Ms Spillane's role in sales and distribution with BlackRock dates back to 1995, including her years with Barclays Global Investors in San Francisco up

to 2002 and London thereafter to 2011. Ms Spillane earned a Commerce degree, with honours, from University College Dublin in 1993 and became a CFA charterholder in 2000. She is currently undergoing the Chartered Directors program with the Institute of Directors in Ireland.

**Justin Mealy - Executive Director, (Irish):** Mr Mealy is Head of Investment Oversight EMEA at BlackRock, the group responsible for the oversight, supervision and due diligence of investment management (Product, Performance and Platform) on behalf of AIFMD, UCITS and MIFID Management Company boards within the EU and UK. He serves as Investment Director of the Manager and is its Designated Person for Investment Management. He is a voting member of the Product Development Committee of BlackRock Investment Management UK Limited and sits on the Accounts Review Committee of the Manager.

Previously he has served as Investment Director Dirigeant Effectif for BlackRock France SAS, the group's AIFMD Manager in Paris focused on private equity, private credit, real estate and other alternatives. Before joining BlackRock, Mr Mealy was Managing Director at Geneva Trading for 8 years where he served as Head of its European and Asian businesses and Global Head of Risk responsible for the implementation, control and performance management of its global trading and derivatives market-making activities. Prior to this position he was engaged in CP origination and fixed income dealing with Landesbank Hessen Thuringen (Helaba), followed by positions in proprietary trading and markets technology, including several years in Singapore as COO Asia Pacific with International Financial Systems and later working in Tokyo within the Fixed Income, Rates and Currencies division of UBS Securities Japan.

Mr Mealy is a graduate of Business & Law at University College Dublin, 1997 and is a certified FRM.

**Catherine Woods - Independent Non-Executive Director and Chair of the Risk Committee, (Irish):** Ms Woods has over 30 years' experience in financial services, as well as significant governance experience. Her executive career was with JP Morgan in the City of London, specialising in European Financial Institutions. She is a former Vice President and Head of the JP Morgan European Banks Equity Research Team, where her mandates included the recapitalisation of Lloyds' of London and the re-privatisation of Scandinavian banks. She holds a number of non-executive directorships including Lloyds Banking Group and a Director of Beazley plc. She was previously appointed by the Irish Government to the Electronic Communications Appeals Panel and the Adjudication Panel to oversee the rollout of the National Broadband scheme. Ms Woods is the former Chairman of Beazley Insurance DAC, former Deputy Chairman of AIB Group plc, former Chairman of EBS DAC and former Director of AIB Mortgage Bank and An Post. She holds a First Class Honours Economics Degree from Trinity College Dublin and a Chartered Director Diploma with distinction.

**Patrick Boylan - Executive Director, (Irish):** Mr Boylan serves as the Global Head of Investment Risk for Infrastructure Debt, Renewable Power and Infrastructure Solutions at BlackRock. Mr Boylan's service with the firm dates back to 2011. He was most recently Chief Risk Officer for the manager and prior to that a member of BlackRock's Financial Markets Advisory Group (FMA) where he was responsible for EMEA Valuation and Risk Assessment. Prior to joining BlackRock, Mr Boylan served in senior risk leadership positions at LBBW Asset Management and GE Capital. Mr Boylan earned a BS degree in Finance and MSc. Investment & Treasury from DCU and is a FRM Charter holder.

**Michael Hodson - Independent Non-Executive Director and Chair of the Accounts Review Committee, (Irish):** Mr Hodson is an independent non-executive Director. Previously, he worked with the Central Bank of Ireland from 2011 to 2020 where he held a number of senior roles culminating in Director of Asset Management and Investment Banking. In this role Mr Hodson was responsible for the authorisation and supervision of a wide range of entity types, including large investment banks, Mifid investment firms, fund service providers and market infrastructure firms. Mr Hodson is a qualified accountant having trained with Lifetime, the life assurance arm of Bank of Ireland and has a Diploma in Corporate Governance from Michael Smurfit Business School. Following Lifetime Mr Hodson moved into various roles in the Irish stockbroking sector. Mr Hodson had roles in NCB Stockbrokers, Fexco Stockbroking and was a founding shareholder of Merrion Capital Group where he held the role of Finance Director from 1999 to 2009 and was CEO in 2010.

**Enda McMahon - Executive Director & CEO, (Irish):** Mr McMahon is a Managing Director at BlackRock. He is EMEA Head of Governance and Oversight for BlackRock. He is also the Head of the

Ireland Office, where he is based and CEO and Board Director of BlackRock Asset Management Ireland Limited. Mr McMahon is responsible, in partnership with Fund Board Governance and other stakeholders, for establishing and expanding best practices in governance across the region, with specific focus on BlackRock's management and fund companies. The EMEA Investment Oversight group also reports to Mr McMahon. He was previously responsible for managing the EMEA Compliance Department, which is comprised of almost one hundred Compliance professionals across the region, and responsible for the design and delivery of all aspects of the Compliance Strategy and Compliance Programme, facilitating the continuation of BlackRock's strong regulatory record and reputation and protecting the best interests of clients.

Mr McMahon joined BlackRock in December 2013 from State Street Global Advisors (SSgA), where he was EMEA Head of Compliance, prior to which he was Global Chief Compliance Officer for Bank of Ireland Asset Management and Regulatory Inspection Leader with the Central Bank of Ireland. A regulatory compliance professional since 1998, Mr McMahon has over 30 years of relevant experience overall having also worked professionally as an Auditor with the Office of the Comptroller and Auditor General and as an Accountant with Eagle Star. Mr McMahon is a member of the Chartered Institute of Management Accountants and the U.K. Chartered Institute for Securities and Investment. Mr McMahon also holds the CGMA designation. His studies also include the exams of the Master of Science in Investment and Treasury and Law.

**Maria Ging - Executive Director, (Irish):** Director since 2023. Ms. Ging is a Managing Director at BlackRock. She is the Head of EMEA UCITS for the Global Accounting and Product Services Function. Ms Ging is responsible for product oversight of BlackRock's UCITS and AIFs domiciled in EMEA. She leads teams across EMEA who focus on accounting change management, risk management and exception management for over 1,200 funds domiciled primarily in Ireland, UK and Luxembourg. In 2019 Ms. Ging was elected by her industry peers to the Council of Irish Funds (the representative body for the International Investment Fund Community in Ireland) and was further elected as Chair of the Council serving from September 2021-2022. Previously Ms. Ging led the Alternatives Fund Accounting Oversight Team for BlackRock in Dublin managing fund accounting, operational risk and product change for BlackRock's Renewable Power, Infrastructure Debt, Infrastructure Solutions, and Private Equity Funds. During her tenure with BlackRock Ms. Ging's responsibilities have also included Mutual Fund Oversight supporting the Irish domiciled pooled funds, and Financial Reporting Oversight. Prior to joining BlackRock in 2012, Ms. Ging spent seven years with KPMG Dublin most recently working as an Associate Director providing Audit and Assurance services to asset management, banking, financing, leasing and private equity clients. Ms Ging is a Fellow Chartered Accountant holding a Masters in Accounting and a Bachelor of Business and Legal Studies Degree, both from University College Dublin.

The BlackRock Group employees serving as Directors of the Manager are not entitled to receive Directors' fees.

The Management Agreement provides for the appointment of the Manager unless and until terminated by either party giving to the other not less than 180 days' written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice) the said Agreement may be terminated forthwith by notice in writing by either party to the other. The Management Agreement contains provisions regarding the Manager's legal responsibilities and indemnities in favour of the Manager other than for matters arising by reason of its fraud, bad faith, wilful misconduct or negligence in the performance of its obligations or functions.

The Remuneration Policy of the Manager sets out the policies and practices that are consistent with and promote sound and effective risk management. It includes a description as to how remuneration and benefits are calculated and identifies those individuals responsible for awarding remuneration and benefits including the composition of the remuneration committee, should one be established. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Company and does not impair compliance with the Manager's duty to act in the best interest of the investors of the Company. The Remuneration Policy includes fixed and variable components of salaries and discretionary pension benefits. The Remuneration Policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profile of the Company. The Remuneration Policy is available on the

individual Fund pages at [www.blackrock.com](http://www.blackrock.com) (select the relevant Fund in the “Product” section and then select “All Documents”) or a paper copy is available upon request and free of charge from the registered office of the Manager.

The secretary of the Manager is Apex Group Corporate Administration Services Ireland Limited.

### **THE INVESTMENT MANAGER**

The Manager has delegated responsibility for the investment and re-investment of the Company's assets to the Investment Manager, BlackRock Investment Management LLC, pursuant to the Investment Management Agreement. The Investment Manager (subject to the prior consent of the Company and the Manager and in accordance with the UCITS Requirements) has the discretion to appoint and replace advisers to the different Funds from time to time and may also delegate the investment decision making to such investment advisers provided such investments are made in accordance with the investment objectives and policies described in this Prospectus. The Investment Manager is responsible to the Manager in regard to the management of the investment of the assets of the Company in accordance with the investment objectives, policies and strategies described in this Prospectus (as it may be amended or supplemented from time to time) subject always to the supervision and direction of the Directors and the Manager.

The Investment Manager was formed in Delaware, US in October 1999 and carries on the business of investment management. The Investment Manager is regulated by the SEC and is a Registered Investment Adviser under the Investment Advisers Act, 1940. The Investment Manager is also a member of the US National Futures Association (“NFA”) and is registered with the NFA as a Commodity Pool Operator and Commodity Trading Adviser and regulated by the US Commodities and Futures Trading Commission. The Investment Manager is an indirect wholly-owned subsidiary of BlackRock, Inc. (“BlackRock”).

The Investment Management Agreement provides for the appointment of the Investment Manager unless and until terminated by either party giving to the other not less than 90 days’ written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the said Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains provisions regarding the Investment Manager's legal responsibilities and indemnities in favour of the Investment Manager other than for matters arising by reason of its fraud, bad faith, wilful default, recklessness or negligence in the performance of its duties and obligations.

### **THE SUB-INVESTMENT ADVISERS**

The Investment Manager (subject to the prior consent of the Company and the Manager and in accordance with the UCITS Requirements) has the discretion to appoint and replace Sub-Investment Advisers to the different Funds from time to time and may also delegate the investment decision making to such Sub-Investment Advisers provided such investments are made in accordance with the investment objectives and policies described in this Prospectus. Details of Sub-Investment Advisers appointed will be available to Shareholders on request.

BlackRock Investment Management (UK) Limited was incorporated in England on 16 May 1986 and has its registered office at 12 Throgmorton Avenue, London, EC2N 2DL, England. BlackRock Investment Management (UK) Limited carries on the business of investment management. BlackRock Investment Management (UK) Limited is regulated by the 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 Rules. BlackRock Investment Management (UK) Limited is an indirect wholly-owned subsidiary of BlackRock. BlackRock Investment Management (UK) Limited is also the current promoter of the Company.

BlackRock Financial Management, Inc. was incorporated on 21 October 1994 in Delaware and has its principal office at 55 East 52nd Street, New York 10055, United States of America. BlackRock Financial Management, Inc has one shareholder namely BlackRock Advisors, Inc. and is regulated as an investment advisor by the Securities and Exchange Commission.

BlackRock Investment Management (Australia) Limited was incorporated on 10 June 1983 and has its registered office at Level 18, 120 Collins Street, Melbourne, Victoria, Australia. The main business of BlackRock Investment Management (Australia) Limited is the provision of investment advice.

BlackRock Japan Co. Limited was incorporated on 17 January 1985 and has its registered office at 1-8-3, Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan. It is regulated by the Financial Services Agency in Japan.

BlackRock (Singapore) Limited is domiciled in Singapore and has its registered office at #18-01 Twenty Anson, 20 Anson Road, Singapore, 079912. It is regulated by the Monetary Authority of Singapore and has been managing collective investment schemes or discretionary funds since 2001.

### **THE PRINCIPAL DISTRIBUTOR**

The Manager has delegated responsibility for the distribution, promotion and marketing of the Shares to the Principal Distributor, on a non-exclusive basis, pursuant to the Distribution Agreement. The Principal Distributor has responsibility for the distribution, promotion and marketing of the Shares in such territories and in such manner as the Manager and the Principal Distributor may agree from time to time.

The Principal Distributor was incorporated with limited liability in England on 16 May 1986 for an unlimited period as an indirect wholly-owned subsidiary of BlackRock and carries on the business of investment management. The Principal Distributor is authorised by the Financial Conduct Authority.

The Distribution Agreement provides for the appointment of the Principal Distributor for an initial period of two years and thereafter unless and until terminated by either the Manager or the Principal Distributor giving not less than 90 days' notice in writing to the other, although in certain circumstances (e.g. the insolvency of either of the said parties, unremedied breach after notice etc.) the said Agreement may be terminated forthwith by notice in writing by either party to the other. The Distribution Agreement contains provisions regarding the Principal Distributor's responsibilities and indemnities in favour of the Principal Distributor other than owing to fraud, negligence or wilful default of the Principal Distributor, its servants or agents. The Principal Distributor has the power under the Distribution Agreement to appoint sub-distributors in its discretion.

The Principal Distributor has appointed BlackRock (Channel Islands) Limited to carry out certain administration services ("**BCI**"). BCI is a company incorporated with limited liability in Jersey on 10th August 1972 for an unlimited period.

The directors of BCI are: E A. Bellew, G Collins, D McSparran, N Patel and M Wanless.

The registered office of BCI is at Aztec Group House, 11-15 Seaton Place, St Helier Jersey, Channel Islands JE4 0QH.

### **THE ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT**

The Manager has delegated its responsibilities as administrator, registrar and transfer agent to the Administrator, J.P. Morgan Administration Services (Ireland) Limited, pursuant to the Administration Agreement. The Administrator has responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value and the maintenance of the records and accounts of the Company, subject to the overall supervision of the Manager and the Directors.

The Administrator, a limited liability company incorporated under the laws of Ireland on 28 May 1990, has agreed to act as administrator pursuant to the Administration Agreement. The Administrator is a wholly-owned subsidiary company of the Depository, which is a supplier of processing and administration services to financial institutions.

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by any party giving to the other not less than 3 months' written notice although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) the said Agreement may be terminated forthwith by notice in writing by any party to the other. The Administration

Agreement contains provisions regarding the Administrator's responsibilities and indemnities in favour of the Administrator other than for matters resulting directly from fraud, wilful default or negligence of the Administrator in the performance of its duties and obligations.

## THE DEPOSITARY

The Company has appointed J.P. Morgan Bank SE, acting through its Dublin Branch as depositary of its assets for the purposes of the Directive to provide depositary, custodial, settlement and certain other associated services pursuant to the Depositary and Custodian Agreement.

J.P. Morgan SE is a European Company (Societas Europaea) organised under the laws of Germany, having its registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt. It is a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German central bank; J.P. Morgan SE - Dublin Branch is authorised by the Central Bank to act as depositary and is licensed to engage in all banking operations under the laws of Ireland.

The Depositary and Custodian Agreement provides that the appointment of the Depositary will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice (or such shorter notice period as such other party may agree to accept) although in certain circumstances (e.g. the insolvency of either party or if the Depositary ceases to be permitted to act as Depositary of collective investment schemes authorised in Ireland under Irish law) the Agreement may be terminated forthwith, or in certain limited circumstances, on 30 days' notice by the Depositary where the Depositary, acting reasonably and in good faith and in accordance with its obligations to act solely in the best interests of the Company and Shareholders, determines that it cannot ensure the required standard of protection of investments due to investment decisions of the Manager or the Company.

### The Duties of the Depositary

The Depositary acts as the depositary of the Funds and, in doing so, shall comply with the provisions of the Regulations. In this capacity, the Depositary's duties include, amongst others, the following:

- (i) ensuring that each Fund's cash flows are properly monitored, and that all payments made by or on behalf of investors upon the subscription of Shares of the Funds have been received;
- (ii) safekeeping the assets of the Funds, which includes (a) holding in custody all financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary; and (b) for other assets, verifying the ownership by the Company of such assets and the maintenance of a record accordingly (the "Safekeeping Function");
- (iii) ensuring that the sale, issue, re-purchase, redemption and cancellation of Shares of each Fund are carried out in accordance with applicable national law, the Directive, the Regulations and the Articles;
- (iv) ensuring that the value of the Shares of each Fund is calculated in accordance with applicable national law, the Directive, the Regulations and the Articles;
- (v) carrying out the instructions of the Manager and the Company unless such instructions conflict with the Regulations or the Articles;
- (vi) ensuring that in transactions involving each Fund's assets any consideration is remitted to the relevant Fund within the usual time limits; and
- (vii) ensuring that the Funds' income is applied in accordance with the Articles.

Apart from cash (which shall be held and maintained in accordance with the terms of the Regulations), all other assets of the Funds shall be segregated from the assets of the Depositary, its sub-custodians and from assets held as a fiduciary, custodian or otherwise by the Depositary or sub-custodians or both for other customers which are not UCITS customers. The Depositary shall maintain its records which relate to the assets attributable to each Fund so as to ensure that it is readily apparent that the assets are held solely on behalf of and belong to the Fund and do not belong to the Depositary or any of its affiliates, sub-custodians or delegates or any of their affiliates.

The Depositary may delegate the Safekeeping Function to one or more third parties as may be determined by the Depositary from time to time, subject to the requirements of the Directive. Appendix

V to this Prospectus lists the third-party delegates which have been appointed by the Depositary in the referenced markets as sub-custodians of the assets of the Company. The liability of the Depositary will not be affected by any delegation of the Safekeeping Function to a third party.

The Depositary must ensure that the sub-custodians:

- (i) have adequate structures and expertise;
- (ii) in circumstances where custody of financial instruments is delegated to them, are subject to effective prudential regulation, including minimum capital requirements and supervision in the jurisdiction concerned, as well as an external periodic audit to ensure that the financial instruments are in their possession;
- (iii) segregate the assets of the Depositary's UCITS clients from their own assets, assets of their other clients, assets held by the Depositary for its own account and assets held for non-UCITS clients of the Depositary;
- (iv) ensure that in the event of their insolvency, assets of the Company held by the sub-custodians are unavailable for distribution among, or realisation for the benefit of, creditors of the sub-custodians;
- (v) are appointed by way of a written contract and comply with the general obligations and prohibitions in relation to the Safekeeping Function, reuse of assets and conflicts of interest.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and no local entities are subject to effective prudential regulation, including minimum capital requirements and supervision in the jurisdiction concerned, the Company may instruct the Depositary to delegate its functions to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the aforementioned regulation, capital and supervisions requirements. In the event that custody is delegated to such local entities, prior Shareholder notice will be provided advising of the risks involved in such delegation.

Please refer to the section of this Prospectus entitled 'Conflicts of Interest' for details of potential conflicts that may arise involving the Depositary.

The Depositary will ensure that the assets of the Funds held in custody by the Depositary shall not be reused by the Depositary or by any third party to whom the custody function has been delegated for their own account. Reuse comprises any transaction of assets of the Funds held in custody including, but not limited to, transferring, pledging, selling and lending.

Reuse of the assets of a Fund held in custody is only allowed where:

- (a) the reuse of the assets is executed for the account of the Fund;
- (b) the Depositary is carrying out the instructions of the Manager on behalf of the Fund;
- (c) the reuse is for the benefit of the Fund; and
- (d) the transaction is covered by high quality and liquid collateral received by the Fund under a title transfer arrangement with a market value at least equivalent to the market value of the reused assets plus a premium.

The Depositary is liable to the Funds and to Shareholders for the loss of financial instruments of the Funds which are held in custody as part of the Depositary's Safekeeping Function (irrespective of whether or not the Depositary has delegated its Safekeeping Function in respect of such financial instruments) unless it can prove that the loss of financial instruments held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. This standard of liability applies only to financial instruments capable of being registered in a financial instruments account opened in the Depositary's books or which can be physically delivered to the Depositary.

The Company will indemnify the Depositary and its sub-custodians and their respective nominees, directors, officers and employees engaged in the provision of the services set forth in the Depositary and Custodian Agreement (the "J.P. Morgan Indemnified Persons") against, and hold them harmless from, any liabilities, losses, claims, costs, damages, penalties, fines, obligations or expenses of any kind whatsoever (including, without limitation, reasonable attorneys', accountants', consultants' or experts' fees and disbursements) (together "Liabilities") that may be imposed on, incurred by or asserted against any of J.P. Morgan Indemnified Persons in connection with or arising out of (i) the Depositary's performance under the Depositary and Custodian Agreement, other than losses of



financial instruments for which the Depositary is liable or as a result of J.P. Morgan Indemnified Persons' negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary and Custodian Agreement or the Regulations, Commission Delegated Regulation (EU) 2016/48 or the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, or (ii) any of J.P. Morgan Indemnified Persons' status as a holder of record of the Company's securities. Nevertheless, the Company will not be obligated to indemnify any J.P. Morgan Indemnified Person with respect to any Liability for which the Depositary is liable in certain circumstances, including where the Depositary is liable for losses to the Company as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary and Custodian Agreement or the Directive, or where the Depositary is liable to the Company for the loss of a financial instrument held in custody.

Up-to-date information regarding the Depositary including the duties of the Depositary, the delegation arrangements and any conflicts of interest that may arise shall be made available to investors upon request to the Manager.

## **MEETINGS**

Shareholders in the Company will be entitled to attend and vote at general meetings of the Company. The annual general meeting of the Company will normally be held in Ireland within six months of the end of each financial year.

## **ACCOUNTS AND INFORMATION**

The Company's accounting period will end on 30 September in each year and semi-annual accounts will be prepared to each 31 March.

The Company will prepare an annual report and audited annual accounts within four months of the end of the financial period to which they relate which will be sent to Shareholders. Unaudited half-yearly reports will also be prepared within two months of the end of the half-year period to which they relate and will also be sent to Shareholders. Both of these reports will be sent to the Companies Announcements Office of The Irish Stock Exchange within the same time period.

Copies of this Prospectus and of the annual and half-yearly reports of the Company may be obtained from the Company at the address given in the Directory on page 18.

## **APPOINTMENT OF PAYING AGENTS**

In order to register the Company and the Funds for sale in certain jurisdictions, paying agents and/or representative agents ("Paying Agents") may need to be appointed in those jurisdictions. The Company or the Manager may therefore appoint Paying Agents for this purpose whose fees and expenses, which will be charged at normal commercial rates, will be discharged out of the assets of the Company or the Manager.

## **VALUATIONS, SUBSCRIPTIONS AND REDEMPTIONS**

### **NET ASSET VALUE**

The Net Asset Value of each Fund and Class will be calculated by the Administrator in the Base Currency of each Fund as at the relevant Valuation Point after the Cut-Off Time for the Dealing Day concerned, in accordance with the requirements of the Articles, details of which are set out under the heading "Statutory and General Information" below.

The Net Asset Value of each Fund, the Net Asset Value attributable to each Class in a Fund and the Net Asset Value per Share will be calculated to such number of decimal places in the Base Currency as the Directors may determine and, except when the determination of the Net Asset Value of any Fund has been suspended or postponed in the circumstances set out under the heading "Suspensions and Deferrals" below, shall be made available at the offices of the Administrator during normal business hours. The Net Asset Value attributable to each Class within a Fund will be determined by deducting the share of liabilities of that Class from its share of the assets of the Fund.

Further information on the valuation of assets of a Fund and the calculation of Net Asset Value is set out on pages 111 to 114.

### **PRICES OF SHARES**

The Net Asset Value per Share is determined as at the Valuation Point after the Cut-Off Time for the Dealing Day concerned. The Net Asset Value per Share is quoted in the Base Currency of the relevant Fund. The Net Asset Value per Share is also quoted in the Dealing Currencies of the relevant Fund having been converted from the Base Currency of the relevant Fund to the relevant Dealing Currency. The currency exchange rate to be applied to such conversion shall be such rate as is available to the Administrator at the time of the conversion. Any currency fluctuations between the Base Currency of the relevant Fund and the investor's chosen Dealing Currency are at the risk of the investor. 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.

Arrangements for the publication of the Net Asset Value per Share for future Funds will be notified to investors at the time the new Funds are launched. Historic Net Asset Values per Share for all Shares are available from the Administrator on the Business Day following the relevant Dealing Day. The Net Asset Value per Share in respect of each Class which is listed will, upon calculation, be notified immediately by the Administrator to the Irish Stock Exchange and will be published on the Irish Stock Exchange's website at [www.ise.ie](http://www.ise.ie) and will be kept up to date.

The Directors may adjust the Net Asset Value per Share of a Fund in order to reduce the effect of Dilution. 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 may be reduced or prevented and Shareholders may be protected from the impact of Dilution.

The Directors may adjust the Net Asset Value per Share of a Fund to reflect an amount considered to represent an appropriate figure for Duties and Charges relating to the purchase or sale of underlying investments which may be incurred by a Fund, if on any Dealing Day the aggregate transactions in Shares of all Classes of that Fund result in a net increase or decrease of Shares which exceeds a threshold set by the Directors from time to time for that Fund.

In such circumstances the Net Asset Value per Share of the relevant Fund may be adjusted by an amount to reflect the estimated fiscal charges and dealing costs that may be incurred by the Fund and the estimated bid/offer spread of the assets in which the Fund invests.

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.

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.

The specific levels of fees and charges that apply to each Class are explained in more detail under "Fees and Expenses" below.

### **FORM OF SHARES**

All Shares will be available as Registered Shares. Title to Registered Shares is evidenced by entry on the Company's register of Shareholders. Shareholders will receive written confirmation notes of their transactions and written statements confirming ownership. Share certificates will not be issued.

Global Certificates are not currently available, but Shareholders will be advised if it is intended to introduce them at a later date.

## SUBSCRIPTIONS

Applicants may apply for Shares of each Class on any Dealing Day on the terms and in accordance with the procedures described below.

### Initial Offer Period

The Initial Offer Period in respect of the Class A (US\$ Hedged) Shares, Class X (US\$ Hedged) Shares, Class A (£ Hedged) Shares, Class X (£ Hedged) Shares, Class A (CHF Hedged) Shares and Class X (CHF Hedged) Shares of the BlackRock Euro Government Bond Fund will end at 5.00 pm (Dublin time) on 10 January 2025 unless such period is shortened or extended by the Directors and any such shortening or extension will be notified to the Central Bank.

The Initial Offer Period in respect of the Class A Shares, Class A (US\$ Hedged) Shares, Class A (€ Hedged) Shares, Class A (£ Hedged) Shares, Class A Distributing Shares, Class A (US\$ Hedged) Distributing Shares, Class A (€ Hedged) Distributing Shares, Class A (£ Hedged) Shares Distributing Shares, Class X Shares, Class X (US\$ Hedged) Shares, Class X (€ Hedged) Shares, Class X (£ Hedged) Shares, Class X Distributing Shares, Class X (US\$ Hedged) Distributing Shares, Class X (€ Hedged) Distributing Shares, Class X (£ Hedged) Distributing Shares, Class J Shares, Class J Distributing Shares, Class J (US\$ Hedged) Shares, Class J (US\$ Hedged) Distributing Shares, Class J (€ Hedged) Shares, Class J (€ Hedged) Distributing Shares, Class J (£ Hedged) Shares and Class J (£ Hedged) Shares Distributing Shares of the BlackRock Japan Equity 1 Fund and Class A Shares, Class A Distributing Shares, Class X Shares, Class X Distributing Shares, Class J Shares and Class J Distributing Shares of the BlackRock Europe Equity 1 Fund will end at 5.00 pm (Dublin time) on 10 January 2025 unless such period is shortened or extended by the Directors and any such shortening or extension will be notified to the Central Bank.

The Initial Offer Period in respect of Class A (US\$ Unhedged) Shares, Class A (US\$ Unhedged) Distributing Shares, Class A11 (US\$ Unhedged) Distributing Shares, Class A (€ Unhedged) Shares, Class A (€ Unhedged) Distributing Shares, Class A11 (€ Unhedged) Distributing Shares, Class A (€ Hedged) Shares, Class A (€ Hedged) Distributing Shares, Class A11 (€ Hedged) Distributing Shares, Class A (CZK Hedged) Shares, Class A (CZK Hedged) Distributing Shares, Class A11 (CZK Hedged) Distributing Shares, Class X (US\$ Unhedged) Shares, Class X (US\$ Unhedged) Distributing Shares, Class X11 (US\$ Unhedged) Distributing Shares, Class X (€ Unhedged) Shares, Class X (€ Unhedged) Distributing Shares, Class X11 (€ Unhedged) Distributing Shares, Class X (€ Hedged) Shares, Class X (€ Hedged) Distributing Shares, Class X11 (€ Hedged) Distributing Shares, Class X (CZK Hedged) Shares, Class X (CZK Hedged) Distributing Shares, Class X11 (CZK Hedged) Distributing Shares, Class J (US\$ Unhedged) Shares, Class J (US\$ Unhedged) Distributing Shares, Class J (€ Unhedged) Shares, Class J (€ Unhedged) Distributing Shares, Class J (€ Hedged) Shares, Class J (€ Hedged) Distributing Shares, Class J (CZK Hedged) Shares and Class J (CZK Hedged) Distributing Shares of the BlackRock Sustainable Global Allocation Tailored Fund will end at 5.00 pm (Dublin time) on 10 January 2025 unless such period is shortened or extended by the Directors and any such shortening or extension will be notified to the Central Bank.

### Initial Offer Price

The Initial Offer Price for the Class A (€ Hedged) Shares, Class X (US\$ Hedged) Shares, Class A (£ Hedged) Shares, Class X (£ Hedged) Shares, Class A (CHF Hedged) Shares and Class X (CHF Hedged) Shares of the BlackRock Euro Government Bond Fund will be the US Dollar equivalent of €100 in respect of the US Dollar Share Classes, the Sterling equivalent of €100 in respect of the Sterling Share Classes and the Swiss Franc equivalent of €100 in respect of the Swiss Franc Share Classes.

The Initial Offer Price for the Class A Shares, Class A (US\$ Hedged) Shares, Class A (€ Hedged) Shares, Class A (£ Hedged) Shares, Class A Distributing Shares, Class A (US\$ Hedged) Distributing Shares, Class A (€ Hedged) Distributing Shares, Class A (£ Hedged) Distributing Shares, Class X Shares, Class X (US\$ Hedged) Shares, Class X (€ Hedged) Shares, Class X (£ Hedged) Shares, Class X Distributing Shares, Class X (US\$ Hedged) Distributing Shares, Class X (€ Hedged) Distributing Shares, Class X (£ Hedged) Distributing Shares, Class J Shares, Class J Distributing Shares, Class J (US\$ Hedged) Shares, Class J (US\$ Hedged) Distributing Shares, Class J (€ Hedged) Shares, Class J (€ Hedged) Distributing Shares, Class J (£ Hedged) Shares and Class J (£ Hedged) Shares Distributing Shares of the BlackRock

Japan Equity 1 Fund and Class A Shares, Class A Distributing Shares, Class X Shares, Class X Distributing Shares, Class J Shares and Class J Distributing Shares of the BlackRock Europe Equity 1 Fund will be the US Dollar equivalent of €100 in respect of the US Dollar Share Classes and the Yen equivalent of €100 in respect of the Yen Share Classes.

The Initial Offer Price for the Class A (US\$ Unhedged) Shares, Class A (US\$ Unhedged) Distributing Shares, Class A11 (US\$ Unhedged) Distributing Shares, Class A (€ Unhedged) Shares, Class A (€ Unhedged) Distributing Shares, Class A11 (€ Unhedged) Distributing Shares, Class A (€ Hedged) Shares, Class A (€ Hedged) Distributing Shares, Class A11 (€ Hedged) Distributing Shares, Class A (CZK Hedged) Shares, Class A (CZK Hedged) Distributing Shares, Class A11 (CZK Hedged) Distributing Shares, Class X (US\$ Unhedged) Shares, Class X (US\$ Unhedged) Distributing Shares, Class X11 (US\$ Unhedged) Distributing Shares, Class X (€ Unhedged) Shares, Class X (€ Unhedged) Distributing Shares, Class X11 (€ Unhedged) Distributing Shares, Class X (€ Hedged) Shares, Class X (€ Hedged) Distributing Shares, Class X11 (€ Hedged) Distributing Shares, Class X (CZK Hedged) Shares, Class X (CZK Hedged) Distributing Shares, Class X11 (CZK Hedged) Distributing Shares, Class J (US\$ Unhedged) Shares, Class J (US\$ Unhedged) Distributing Shares, Class J (€ Unhedged) Shares, Class J (€ Unhedged) Distributing Shares, Class J (€ Hedged) Shares, Class J (€ Hedged) Distributing Shares, Class J (CZK Hedged) Shares and Class J (CZK Hedged) Distributing Shares of the BlackRock Sustainable Global Allocation Tailored Fund will be the US Dollar equivalent of €100 in respect of the US Dollar Share Classes, €100 in respect of the Euro Share Classes and the Czech Koruna equivalent of €100 in respect of the Czech Koruna Share Classes.

### **Applications for Shares**

Initial applications for Shares must be made on the Application Form enclosed in this Prospectus and returned to the Administrator at the address on the Application Form. For initial applications for Shares by facsimile or telephone, applicants will be sent an Application Form (which shall be irrevocable) that must be completed and returned promptly by mail to the Administrator to confirm the application. The Company reserves the right to deny a subsequent request to subscribe for or redeem Shares and no redemption proceeds will be paid if the relevant Shareholder fails to submit an original executed Application Form, if requested by the Manager or the Administrator, and all necessary anti-money laundering verification of identity checks have not been completed.

Subsequent applications for Shares may be made in writing or by facsimile or by telephone at the discretion of the applicant provided the proper authorisation has been provided by the applicant. Dealing orders placed by telephone will be recorded.

The Manager reserves the right to reject any application for Shares for any reason in whole or in part, in which event any subscription monies or any part thereof will be returned (without interest) to the applicant by transfer to the applicant's account specified in the Application Form or by post at the applicant's risk. Issues of Shares of any or all Funds may be suspended in the circumstances set out under the heading "Suspension and Deferrals".

Subscriptions after the Initial Offer Period are effected on a forward pricing basis i.e. at the Net Asset Value per Share determined at the Valuation Point after the Cut-Off Time for the Dealing Day concerned. Any dealing orders received by the Administrator before the Cut-Off Time on a Dealing Day will be dealt with on that Dealing Day. Any dealing applications received after the Cut-Off Time will be dealt with on the next Dealing Day. An investor will not be entitled to interest on subscription monies at any time.

### *Fractions*

Subscription monies representing less than the Net Asset Value per Share for one Share will not be returned to the applicant. Fractions of Shares will be issued provided however that fractions shall not be less than 0.01 of a Share. Subscription monies, representing less than 0.01 of a Share will be retained by the Company in order to meet administration costs.

## **Subscription Monies**

### *Method of Payment*

Subscription payments net of all bank charges should be paid by electronic transfer to the bank account specified at the time of dealing. Other methods of payment are subject to the prior approval of the Administrator.

### *Currency and Timing of Payment*

Settlement should be made in the Dealing Currency elected by the applicant. Any currency fluctuations between the Base Currency of the relevant Fund and the applicant's chosen Dealing Currency are at the risk of the applicant. Payment in respect of subscriptions must be received in cleared funds within two Business Days of the relevant Dealing Day in the case of BlackRock Europe Equity 1 Fund and BlackRock Japan Equity 1 Fund and within three Business Days of the relevant Dealing Day in the case of other Funds.

If timely settlement is not made, the applicant will be liable for the cost incurred as a result of late or non-payment. The Manager will have the right to redeem all or part of the applicant's holding of Shares in the relevant Fund or any other Fund of the Company in order to meet such costs. Subscription monies must originate from a bank account in the applicant's name or that of its nominee entity.

## **In Specie Subscriptions**

Subscriptions may also be made by means of in specie transfer of a portfolio of appropriate securities. Further details are set out under the section headed "Subscriptions/Redemptions in Specie" or can be obtained by contacting the Administrator.

## **Money Laundering Prevention**

The Manager, the Company and the Administrator retain the right to seek such evidence of identity from investors as they deem appropriate to comply with their obligations under Irish anti-money laundering and counter-terrorist financing legislation. In the absence of satisfactory evidence of identity, the processing of any Application Form or dealing application may be delayed or the Application Form and/or dealing application may be rejected. The Manager, the Company and the Administrator will not be responsible for any delay in the processing of or any failure to process an Application Form or dealing application in such circumstances.

## **MINIMUM SUBSCRIPTIONS/HOLDINGS**

### **Minimum Subscriptions**

The Minimum Subscription amount for an initial investment in the BlackRock Euro Government Bond Fund is €1,000,000 in respect of the Euro Share Classes, US\$1,000,000 in respect of the US Dollar Share Classes, £1,000,000 in respect of the Sterling Share Classes and CHF1,000,000 in respect of the Swiss Franc Share Classes, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Subscription amount for an initial investment in any one of the BlackRock Japan Equity 1 Fund and BlackRock Europe Equity 1 Fund is US\$1,000,000 in respect of the A and X Share Classes and US\$1,000,000,000 in respect of the J Share Classes, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Subscription amount for additional subscriptions in the BlackRock Euro Government Bond Fund is €10,000 in respect of the Euro Share Classes, \$10,000 in respect of the US Dollar Share Classes, £10,000 in respect of the Sterling Share Classes or CHF10,000 in respect of the Swiss Franc Share Classes, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Subscription amount for an initial investment in BlackRock Sustainable Global Allocation Tailored Fund is US\$5,000 in respect of the A Share Classes, US\$1,000,000 in respect of the X Share Classes and US\$1,000,000,000 in respect of the J Share Classes, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Subscription amount for additional subscriptions in the BlackRock Japan Equity 1 Fund and BlackRock Europe Equity 1 Fund is JPY equivalent of US\$10,000 or €10,000 per Fund, as appropriate, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Subscription amount for additional subscriptions in the BlackRock Sustainable Global Allocation Tailored Fund is US\$10,000 in respect of the X and J Share Classes and US\$1,000 in respect of the A Share Classes or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

### **Minimum Holdings**

Shareholders of the BlackRock Euro Government Bond must maintain a Minimum Holding of €1,000,000 in respect of the Euro Share Classes, US\$1,000,000 in respect of the US Dollar Share Classes, £1,000,000 in respect of the Sterling Share Classes and CHF1,000,000 in respect of the Swiss Franc Share Classes, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine, provided such amount shall not be less than €100,000 in respect of the Euro Share Classes, US\$100,000 in respect of the US Dollar Share Classes, £100,000 in respect of the Sterling Share Classes or CHF100,000 in respect of the Swiss Franc Share Classes.

Shareholders of the BlackRock Japan Equity 1 Fund must maintain a Minimum Holding of US\$1,000,000 in respect of the A and X Share Classes and US\$1,000,000,000 in respect of the J Share Classes or such other amount as the Directors may determine.

Shareholders of the BlackRock Europe Equity 1 Fund must maintain a Minimum Holding of US\$1,000,000 in respect of the A and X Share Classes and US\$1,000,000,000 in respect of the J Share Classes or such other amount as the Directors may determine.

Shareholders of the BlackRock Sustainable Global Allocation Tailored Fund must maintain a Minimum Holding of US\$5,000 in respect of the A Share Classes, US\$1,000,000 in respect of the X Share Classes and US\$1,000,000,000 in respect of the J Share Classes or such other amount as the Directors may determine.

The Company may refuse to comply with redemption, switch or transfer instructions if to do so would result in a holding of less than the relevant Minimum Holding. If the Minimum Holding is not maintained, the Shares may be compulsorily redeemed by the Directors.

## **REDEMPTION OF SHARES**

Applicants may redeem Shares on any Dealing Day on the terms and in accordance with the procedures described below.

### **How to Redeem**

Shareholders may redeem Shares of a Fund on any Dealing Day at the Net Asset Value per Share next determined after the Cut-Off Time.

Instructions for the redemption of Shares should normally be made on the form available from the Administrator and sent to the Administrator at the address stated on the form. Redemption requests will only be accepted where cleared funds and completed documents are in place from original subscriptions. Redemption requests shall (save as determined by the Manager) be irrevocable and may be sent by facsimile or given by telephone at the risk of the relevant Shareholder. In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him. Redemption payments made pursuant to a faxed redemption request will only be paid to the account specified on the original Application Form.

Redemption requests received prior to the Cut-Off Time on a Dealing Day shall be effected on that Dealing Day. If a redemption request is received after the Cut-Off Time, it shall be treated as a request for redemption on the next Dealing Day. Subject to the agreement of the Administrator, the Manager may from time to time determine a Cut-Off Time other than that stated for any Fund.

Under the terms of the Application Form, each Shareholder may authorise the Manager to act on written, facsimile or telephone instructions. Any subsequent change to a Shareholder's registration details or to the pre-established instruction or account details for redemption payments on file with the Manager must be in written form duly signed by the Shareholder and the Manager reserves the right to seek verification of the authority of any signatory.

None of the Company, the Manager, the Administrator and the Depositary (or any of their respective directors, officers, employees or agents) will be responsible or liable for the authenticity of redemption requests received by facsimile or other written communication or by telephone instruction from any person representing himself or herself to be an authorised signatory and reasonably believed to be genuine.

## **Settlement**

### *Method of Payment*

Redemption payments will normally be dispatched in the Shareholder's chosen Dealing Currency. Any currency fluctuations between the Base Currency of the relevant Fund and the Shareholder's chosen Dealing Currency are at the risk of the Shareholder. Payment will normally be made within two Business Days of the relevant Dealing Day in the case of BlackRock Europe Equity 1 Fund and BlackRock Japan Equity 1 Fund and within three Business Days of the relevant Dealing Day in the case of other Funds, provided in each case that the required documents have been received. Proceeds will be paid by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder provided the account is in the name of the Shareholder. Payments to parties other than the Shareholder will not be effected.

After an electronic transfer has been initiated by or on behalf of the Company, none of the Company, the Manager, the Administrator and the Depositary assumes any further responsibility for the performance of intermediaries or the Shareholder's bank in the transfer process. If a problem with such performance arises, the Shareholder should deal directly with such intermediaries or bank.

A Shareholder may change the bank account designated in the Application Form for payment of redemption proceeds by providing a written request to the Manager provided the account is in the name of the Shareholder. The Manager will impose procedures to change any information provided in the Application Form. This may include requiring verification of the authority of any signatory. A redemption request will not be considered to have been received in proper form until such information and/or additional documentation in a form satisfactory to the Manager has been received by the Administrator on behalf of the Manager.

### *Timing of Payment*

Redemption proceeds in respect of Shares will normally be paid two Business Days after the relevant Dealing Day in the case of BlackRock Europe Equity 1 Fund and BlackRock Japan Equity 1 Fund and three Business Days after the relevant Dealing Day in the case of other Funds, provided in each case that all the required documentation has been received by the Administrator.

## **In Specie Redemptions**

Redemptions may also be effected in specie. Further details are set out under the Section headed "Subscriptions/Redemptions in Specie" or can be obtained by contacting the Administrator.

## Minimum Redemptions

The Minimum Redemption amount for the BlackRock Euro Government Bond Fund is €10,000 in respect of the Euro Share Classes, US\$10,000 in respect of the US Dollar Share Classes, £10,000 in respect of the Sterling Share Classes and CHF10,000 in respect of the Swiss Franc Share Classes, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Redemption amount for the BlackRock Japan Equity 1 Fund and BlackRock Europe Equity 1 Fund is the JPY equivalent of US\$10,000 or €10,000 per Fund, as appropriate, or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

The Minimum Redemption amount for the BlackRock Sustainable Global Allocation Tailored Fund is US\$10,000 in respect of the X and J Share Classes and US\$1,000 in respect of the A Share Classes or the equivalent in the relevant Dealing Currency, or such other amounts as the Directors may determine.

## Fractions

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in a Fund, fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the Net Asset Value per Share for one Share, provided however that fractions shall not be less than 0.01 of a Share. Redemption monies representing less than 0.01 of a Share will not be returned to a Shareholder but will be retained by the Manager in order to meet administration costs.

## Compulsory Redemption

The Directors shall have the right to redeem compulsorily any Share at the Net Asset Value per Share on the relevant Dealing Day or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held (whether legally or beneficially) by a person other than a Qualified Holder; (ii) the redemption or transfer (as the case may be) would eliminate or reduce the exposure of the Company or the Shareholders to adverse tax or regulatory consequences; (iii) a Shareholder holds less than the applicable Minimum Holding; or (iv) the Share is held by a Shareholder whose Client Agreement has terminated for any reason whatsoever.

## SWITCHING BETWEEN FUNDS AND CLASSES

Shareholders may switch all or some of their Shares of one Fund (the "Original Fund") or, with the prior approval of the Directors, Class (the "Original Class") for Shares of another Fund (the "New Fund") or Class (the "New Class") (except that only those investors with a Client Agreement will be permitted to hold Class X Shares).

Shareholders may apply to switch on any Dealing Day an amount equal in value to part or all of their holding of Shares in the Original Fund or Original Class. Unless the Directors otherwise determine, the amount to be switched must be at least equal to the initial Minimum Subscription (in the case of an initial purchase of a New Fund) or subsequent Minimum Subscription (in the case of purchases in a New Fund in which Shares are already held) for the relevant New Fund. A Shareholder may effect a switch in writing or by completing a redemption request in the form obtained from the Administrator of the Original Fund and an Application Form for the New Fund, and sending it to the Administrator. The Manager or Administrator may request an original form. Alternatively, a request to switch may be made by facsimile. Any request to switch will be irrevocable.

If switching would result in the Shareholder holding a number of Shares in the Original Fund of a value which is less than the Minimum Holding for that Fund, the Manager may, if it thinks fit, switch the whole of the applicant's holding of Shares of the Original Fund to Shares in the New Fund or refuse to effect any switching from the Original Fund. No switching will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. The general provisions on procedures relating to redemption will apply equally to switching. Notice of switching must be received by the Administrator on behalf of the Manager by the Cut-Off Time on a Dealing Day in both the Original Fund or Original Class and the New Fund(s) or New Class(es) (if different) and be dealt with at the prices calculated after the Cut-Off Time or at such other date as may be approved by the Manager.



Switching requests received after the Cut-Off Time on the Dealing Day will be held over until the next Dealing Day.

The number of Shares in any New Fund or New Class to be issued will be calculated in accordance with the following formula:

$$A=B \times \frac{(C \times D)}{E}$$

where:

A = the number of Shares of the New Fund to be allotted;

B = the number of Shares to be switched;

C = the price per Share of the Shares to be switched on the relevant Dealing Day;

D = the currency conversion factor determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds (where the Base Currencies of the relevant Funds are different) or where the Base Currencies of the relevant Funds are the same, D=1; and

E = the price per Share of the New Fund on the relevant Dealing Day.

Where there is a switching of Shares, Shares of the New Fund will be allotted and issued in respect of and in proportion to the Shares of the Original Fund in the proportion A to B. Where a switch in Dealing Currencies is involved, currency will be converted at the relevant rate of exchange on the Dealing Day on which the conversion is effected.

Switching may be suspended or deferred in the circumstances described under the heading "Suspension and Deferrals" below and an order for switching into a Fund constituting over 5% of a Fund's value may not be accepted at the discretion of the Manager.

### **Compulsory Switching between Classes**

The Directors shall have the right to switch compulsorily any Class X Shares to such other Class of the relevant Fund, that is not a Class X, as the Directors may deem most appropriate for such Shareholder, if:

- (a) such Shares are held directly or beneficially by any person who is not a Qualified Holder by virtue of the fact that they have acquired Shares in the relevant Class X without first entering into a Client Agreement; or
- (b) the Directors shall in their absolute discretion consider that the Shares are held by a Shareholder whose Client Agreement has terminated for any reason whatsoever.

### **SUBSCRIPTIONS/REDEMPTIONS IN SPECIE**

#### **Subscription in Specie**

The Company may issue Shares of any Class of a Fund by way of exchange for Investments provided that:-

- (a) in the case of an applicant who is not an existing Shareholder no Shares shall be issued until the applicant concerned shall have completed and delivered to the Administrator an Application Form as required under this Prospectus (or otherwise) and satisfied all the requirements of the Directors and Manager as to such application;
- (b) the nature of the Investments transferred into the Fund are such as would qualify as Investments of such Fund in accordance with the investment objectives, policies and restrictions of such Fund and the Investments to be transferred have been agreed in advance with the Manager;

- (c) no Shares shall be issued until (a) and (b) above have been satisfied and the Depositary is satisfied that the terms of settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the Fund; and
- (d) any such exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Shares issued for cash) that the number of Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the Company. Such sum may be increased by such amount as the Directors may consider represents an appropriate provision for Duties and Charges which would have been incurred by the Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Directors may consider represents any Duties and Charges to be paid to the Fund as a result of the direct acquisition by the Fund of the Investments.

The Investments must vest in the Depositary or any sub-custodian to the Depositary's satisfaction by the end of the Initial Offer Period or within two Business Days of the relevant Dealing Day in the case of BlackRock Europe Equity 1 Fund and BlackRock Japan Equity 1 Fund and within three Business Days of the relevant Dealing Day in the case of other Funds, as appropriate. Any late vesting in respect of in specie subscriptions shall be dealt with in the same manner as late settlements in cash.

### **Redemption in Specie**

The Company may redeem Shares of any Class of a Fund by way of exchange for Investments provided that:

- (a) a redemption request is completed and delivered to the Administrator as required by this Prospectus and the redemption request otherwise satisfies all the requirements of the Directors and the Manager as to such request and the Shareholder seeking redemption of Shares agrees to such course of action;
- (b) the Manager is satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders, and elects that instead of the Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption and provided that the transfer of Investments is approved by the Depositary. Such value may be reduced by such amount as the Directors may consider represents any Duties and Charges to be paid to the Fund as a result of the direct transfer by the Fund of the Investments or increased by such amount as the Directors may consider represents any appropriate provision for Duties and Charges which would have been incurred by the Fund in the disposition of the Investments to be transferred. The shortfall (if any) between the value of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash.

If the discretion conferred upon the Manager by paragraph (b) is exercised, the Manager shall notify the Depositary and shall supply to the Depositary particulars of the Investments to be transferred and any amount of cash to be paid to the Shareholder.

### **TRANSFER OF SHARES**

Shares are (save as hereinafter specified) fully transferable. Shares may be transferred in writing in a form approved by the Directors and every form of transfer must state the full name and address of the transferor and the transferee. The instrument of transfer shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Prior to the registration of any transfer, transferees shall complete an Application Form to be found at the back of this Prospectus (and available from the Administrator) and provide such other documentation (e.g. as to identity) as may be required by the Directors. The Directors may decline to register any transfer of a Share where it appears in their opinion that such transfer would be likely to (i) result in the legal or beneficial ownership of such Share by a person who is not a Qualified Holder; (ii) expose the Company or the Shareholders to adverse tax or

regulatory consequences; or (iii) result in either the transferor or transferee holding less than the applicable Minimum Holdings specified on pages 21 to 23 and 85.

### **CLOSURE AND TERMINATION**

If at any time the aggregate Net Asset Value of the Company shall be less than €100,000,000 (or equivalent), the Company may, by notice to all holders of Shares given within four weeks of such time, redeem on the Dealing Day next following the expiry of the notice all (but not some) of the Shares not redeemed. Additionally the Directors may at any time require redemption of all the Shares of a particular Fund or Class if the Net Asset Value of such Fund or Class is lower than €100,000,000 or €50,000,000 respectively (or equivalent in each case) for a period of thirty consecutive days. The Articles also permit the Directors to close any particular Fund or Class where they deem it appropriate because of changes in the economic or political situation affecting the Fund or Class but in such circumstances the Directors intend as a matter of policy to offer Shareholders a transfer (free of switching fees) into other Funds or Classes. Any such compulsory termination of a Fund or Class will require at least 30 days' prior notice to holders of Shares of the relevant Fund or Class. As an alternative, but in accordance with the UCITS Requirements and subject to the prior approval of the Shareholders of the Fund or Class affected, the Directors may arrange for a Fund or Class to be merged with another Fund or Class of the Company or with another UCITS regulated by the Central Bank or regulated by the competent authority of another Member State.

A Fund or Class may be closed or merged in circumstances other than those mentioned above in accordance with the UCITS Requirements. Any merger determined on by the above provisions will be binding on all the holders of the Shares of the relevant Fund or Class. Where a Fund or Class is terminated or merged, the Net Asset Value per Share payable will be calculated on a basis reflecting the realisation and liquidation costs on closing or merging the Fund or Class, but with no other redemption charge.

The Directors have the power to suspend dealings in the Shares of any Fund where it is to be terminated or merged 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 requires the approval of a meeting of Shareholders, after the passing of the relevant resolution. Where dealings in the Shares of such Fund or Class are not suspended, the prices of Shares may be adjusted to reflect the anticipated realisation and liquidation costs mentioned above.

### **SUSPENSION AND DEFERRALS**

Valuations (and consequently issues, redemptions, transfers and switches) of Shares of any Fund or Class may be temporarily suspended in certain circumstances including:

- (a) upon closure of or suspension or restriction of trading on any stock exchange or market on which a substantial proportion of the relevant Investments are quoted or traded;
- (b) where conditions exist which in the opinion of the Directors make it impractical or inappropriate to dispose of Investments held in the Fund without seriously harming the Company or any class of its Shareholders;
- (c) if the means of communication normally used for the purpose of determining the price or value of Investments held by the Fund cannot be used or for some other reason the price or value of such Investments cannot be determined normally, quickly and correctly;
- (d) if any transfer of funds necessary for dealings in the relevant Investments cannot be made normally at normal exchange rates;
- (e) if notice is given of a meeting at which a resolution is to be proposed to wind-up the Company or where notice has been given or a resolution passed for the closure or merger of a Fund as explained under the Section headed "Closure and Termination".

The beginning and end of any period of suspension (except one resulting from customary closing of stock exchanges for not more than three days) will be made known at the registered office of the Company and the offices of the Administrator. Notice will also be given to any Shareholder lodging a

request for redemption or switching of Shares. Where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. In addition, the Company will immediately notify the Central Bank, the Irish Stock Exchange and (to the extent required by the law or practices of the country concerned) any other competent authority in a country in which Shares are registered for marketing.

The Company will also not be bound to redeem or switch any Share of a Fund on any one Dealing Day if there are redemption or switching orders that day for Shares of that Fund with an aggregate value exceeding 10% of the value of the Shares of that Fund then in issue or deemed to be in issue. If this happens each redemption or switching request in respect of Shares in such Fund may, at the discretion of the Directors, be reduced so that the total number of Shares of each Fund for redemption or switching on that Dealing Day shall not exceed 10% of the total number of Shares outstanding in that Fund. Any redemption or switching request so reduced shall be carried forward to the next Dealing Day and effected in priority to subsequent redemption or switching requests on the following (and, if necessary, subsequent) Dealing Day(s). If redemption or switching requests are so carried forward, the Company shall procure that the Shareholders whose dealings are affected thereby are promptly informed.

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

### **OPERATION OF THE SUBSCRIPTION AND REDEMPTION COLLECTION ACCOUNTS**

The Company has established a collection account at umbrella level in the name of the Company (the “**Umbrella Cash Collection Account**”), and, in respect of those sub-funds considered to be highly leveraged, has established collection accounts at sub-fund level (the “**Sub-fund Cash Collection Accounts**”). All subscriptions into and redemptions and distributions due from the Funds will be paid either into the Umbrella Cash Collection Account or the Sub-fund Cash Collection Accounts. Monies in the Umbrella Cash Collection Account or the Sub-fund Cash Collection Accounts, including early subscription monies received in respect of a Fund, do not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.

Pending issue of the Shares and / or payment of subscription proceeds to an account in the name of the relevant Fund, and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from, a Fund will be channelled and managed through the Umbrella Cash Collection Account or Sub-fund Cash Collection Accounts, as applicable. Subscriptions amounts paid into the Umbrella Cash Collection Account or Sub-fund Cash Collection Accounts, as applicable, will be paid into an account in the name of the relevant Fund on the contractual settlement date. Where subscription monies are received in the Umbrella Cash Collection Account or the Sub-fund Cash Collection Accounts, as applicable, without sufficient documentation to identify the investor or the relevant Fund, such monies shall be returned to the relevant investor within five (5) Business Days and as specified in the operating procedure in respect of the Umbrella Cash Collection Account or Sub-fund Cash Collection Accounts.

Redemptions and distributions, including blocked redemptions or distributions, will be held in the Umbrella Cash Collection Account or Sub-fund Cash Collection Accounts, as applicable, until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Shareholder.

Failure to provide the necessary complete and accurate documentation in respect of subscriptions, redemptions or dividends, and / or to make payment into the Umbrella Cash Collection Account or the correct Cash Collection Account, as appropriate, is at the investor's risk.

The Umbrella Cash Collection Account and Sub-fund Cash Collection Accounts have been opened in the name of the Company and, in respect of those Funds considered to be highly leveraged, in the name of the Funds concerned. The Depository will be responsible for safe-keeping and oversight of

the monies in the Umbrella Cash Collection Account and the Sub-fund Cash Collection Account, and for ensuring that relevant amounts in the Umbrella Cash Collection Account and the Sub-fund Cash Collection Accounts are attributable to the appropriate Funds.

The Company and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Collection Account which identifies the participating sub-funds of the Company, the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Accounts, the daily reconciliation processes, and the procedures to be followed where there are shortfalls in respect of a Fund due to late payment of subscriptions, and / or transfers to a Fund of moneys attributable to another Fund due to timing differences.

## **FEES AND EXPENSES**

### **Establishment Costs**

All fees and expenses relating to the establishment of the Company have been borne by the Company.

The fees and expenses incurred by the Company relating to the establishment of the BlackRock Euro Government Bond Fund (to include legal and taxation advice costs), estimated to be €22,000, are being borne by the BlackRock Euro Government Bond Fund and are being amortised over a period of 5 years commencing with the first issue of Shares of the BlackRock Euro Government Bond Fund (or such other period as may be determined by the Manager at its discretion).

The fees and expenses incurred by the Company relating to the establishment of the BlackRock Japan Equity 1 Fund (to include legal and taxation advice costs), estimated to be €24,000, are being borne by the BlackRock Japan Equity 1 Fund and are being amortised over a period of 5 years commencing with the first issue of Shares in the BlackRock Japan Equity 1 Fund (or such other period as may be determined by the Manager at its discretion).

The fees and expenses incurred by the Company relating to the establishment of the BlackRock Europe Equity 1 Fund (to include legal and taxation advice costs), estimated to be €24,000, are being borne by the BlackRock Europe Equity 1 Fund and will be amortised over a period of 5 years commencing with the first issue of Shares in the BlackRock Europe Equity 1 Fund (or such other period as may be determined by the Manager at its discretion).

The fees and expenses incurred by the Company relating to the establishment of BlackRock Sustainable Global Allocation Tailored Fund (to include legal and taxation advice costs), estimated to be €50,000, are being borne by BlackRock Sustainable Global Allocation Tailored Fund and will be amortised over a period of 5 years commencing with the first issue of Shares in BlackRock Sustainable Global Allocation Tailored Fund (or such other period as may be determined by the Manager at its discretion).

All fees and expenses relating to the establishment of subsequent Funds and the listing of any Shares of such subsequent Funds (including the fees of the legal advisers to the Company) will also be borne by the Company as will all ongoing expenses relating to the Company and all Funds and subsequent Funds of the Company. Such fees and expenses will be charged to the Funds (and, at the discretion of the Directors, subsequent Funds established by the Company) on such terms and in such manner as the Directors deem fair and equitable and provided that each Fund will bear its own direct establishment costs and each Class listed on the Irish Stock Exchange will bear the costs of listing its Shares on the Irish Stock Exchange. It is expected that such accounting treatment will not be material to the financial statements of the Funds. If the effect of this accounting treatment becomes material in the future the Directors will reconsider this policy.

### **Management Fees**

The Manager is entitled to charge the Company management fees of 0.35% per annum of the Net Asset Value of Class A Shares of the BlackRock Euro Government Bond Fund, up to 0.20% per annum of the Net Asset Value of Class A Shares and Class J Shares of the BlackRock Japan Equity 1 Fund and BlackRock Europe Equity 1 Fund and up to 1.50% per annum of the Net Asset Value of Class A Shares of the BlackRock Sustainable Global Allocation Tailored Fund together with all VAT payable on such fees and all its reasonable, properly vouched out of pocket expenses, out of which it pays the fees and

reasonable, properly vouched out of pocket expenses of the Investment Manager and the Principal Distributor. The fees accrue daily based on the daily Net Asset Value of the Class A Shares and Class J Shares of the relevant Fund, and are paid monthly in arrears.

The Manager is entitled to increase the management fees up to a maximum of 2% per annum of the Net Asset Value attributable to the Class A Shares of the Funds. Shareholders will be notified in writing in advance of any proposed increase of management fees up to such maximum.

#### *Class X Shares*

No management fees (and for the avoidance of doubt, investment management and/or distribution fees) are payable out of the assets of the Company in respect of the Class X Shares. Instead, a fee, together with all VAT payable on such fee and all reasonable, properly vouched out of pocket expenses will be paid to the Investment Manager or an Affiliate by each Class X Shareholder under a Client Agreement between each Class X Shareholder and the Investment Manager or an Affiliate. The Investment Manager or an Affiliate will pay from this fee the management fees attributable to the Class X Shares and the Company shall not be liable for such management fees. The Manager will be responsible, from its own resources, for ensuring that the fees and expenses of the Investment Manager and the Principal Distributor attributable to the Class X Shares are discharged as appropriate.

The Manager is entitled at its sole discretion and without recourse or cost to the Company to rebate all or part of its fees and charges and to pay commission to any investors (including discounts on charges to employees of the Manager and its affiliates) or its Principal Distributor or agents in respect of any subscriptions for, redemptions or holdings of Shares.

#### **Custody Fees**

The Company shall pay to the Depositary out of the assets of each Fund an annual fee, together with all VAT payable on such fees, based on a tariff depending on the country in which the investments of the Fund are held. The tariff ranges from 0.0125% to 0.2075% of the Net Asset Value of the relevant Fund which fee will be accrued daily and payable monthly in arrears.

The Depositary will be responsible from its own resources for all sub-custodian fees (which will be charged at normal commercial rates). The Company will reimburse the Depositary out of the assets of the relevant Fund for reasonable out-of-pocket or incidental expenses incurred by the Depositary and reasonable or incidental out-of-pocket expenses of any sub-custodian appointed by the Depositary.

#### **Administration Fees**

The Company shall pay to the Administrator out of the assets of each Fund an annual fee, together with all VAT payable on such fees, of up to 0.040% of the Net Asset Value of the relevant Fund which fee will be accrued daily and payable monthly in arrears, provided there is an aggregate minimum fee from the Company of US\$300,000 per annum. In addition, the Administrator is entitled to receive a fee for performing its transfer agency function of up to US\$30,000 per annum for each Fund. The Administrator is also entitled to be reimbursed for all agreed transaction fees and out of pocket expenses properly incurred by it in the performance of its duties and responsibilities under the Administration Agreement.

#### **Sub-Investment Adviser Fees**

The Investment Manager shall be responsible for and will discharge the Sub-Investment Adviser's fees out of the fees paid to the Investment Manager.

#### **Directors Fees**

The Directors shall be entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors which shall not exceed in aggregate €100,000 in any one financial year without the approval of the Board. Any increase in Directors' remuneration above this figure will be notified in advance to Shareholders and will not take effect until two weeks after such notification has been given.

## **Preliminary Charge, Redemption and Switching Fees**

### All Funds except for BlackRock Sustainable Global Allocation Tailored Fund:

No preliminary, switching or redemption charge is payable in respect of the Shares. However, the Articles authorise the Directors to impose a preliminary charge of up to 5% of the Net Asset Value per Share on subscriptions, and a redemption fee or, as the case may be, a switching fee, of up to 1% of the Net Asset Value of the Shares being redeemed or, as the case may be, switched. It is not currently intended to charge any such fees. The Manager will notify Shareholders in advance of the intention to charge such a fee.

### BlackRock Sustainable Global Allocation Tailored Fund:

A preliminary charge of up to 5% of the Net Asset Value per Share may be payable on subscriptions in respect of Class A and Class J Shares. Where imposed this charge may be payable to the Principal Distributor or any other appointed sub-distributor.

No switching or redemption charge is payable in respect of the Shares. However, the Articles authorise the Directors to impose a redemption fee or a switching fee, of up to 1% of the Net Asset Value of the Shares being redeemed or switched. It is not currently intended to charge any redemption or switching fees. The Manager will notify Shareholders in advance of the intention to charge such a fee.

## **Research Fees**

In accordance with new rules, effective on 3 January 2018 pursuant to MiFID II, BlackRock Group will no longer pay for external research via client trading commissions for its MiFID II-impacted funds ("MiFID II-impacted funds").

The BlackRock Group shall meet such research costs out of its own resources. MiFID II-impacted funds are those which have appointed a BlackRock Group MiFID firm as investment adviser or where investment management has been delegated by such firm to an overseas affiliate.

Funds which have directly appointed an overseas affiliate of the BlackRock Group within a third country (i.e. outside the European Union) to perform portfolio management are not in-scope for the purposes of MiFID II and will be subject to the local laws and market practices governing external research in the applicable jurisdiction of the relevant affiliate. This means that costs of external research may continue to be met out of the assets of such Funds. A list of such Funds is available on request from the Manager or can be found on the BlackRock website: <https://www.blackrock.com/international/individual/en-zz/mifid/research/bpif>

Where investments are made in non-BlackRock Group funds, they will continue to be subject to the external manager's approach to paying for external research in each case. This approach may be different from that of the BlackRock Group and may include the collection of a research charge alongside trading commissions in accordance with applicable laws and market practice. This means that the costs of external research may continue to be met out of the assets within the relevant Fund.

## **Operational Expenses**

The Company will pay out of the assets of each Fund:

- (a) the fees of the Manager and its expenses (as described above);
- (b) the fees and expenses of the Directors (as described above);
- (c) any fees in respect of circulating details of the Net Asset Value (including publishing prices) and Net Asset Value per Share;
- (d) rating fees (if any) and any licensing or other fees payable to the providers of any Benchmark Index;
- (e) fees and expenses of the auditors, tax, legal and other professional advisers and company secretarial fees of the Company;

- (f) fees connected with listing of Shares on any stock exchange;
- (g) fees and expenses in connection with provision of transfer agency and registrar services to the Company including, without limitation, the transfer of Shares in the Company to, from or within CREST or any other system for the registration and transfer of dematerialised securities;
- (h) fees and expenses in connection with the distribution of Shares and/or costs of registration of the Company in jurisdictions outside Ireland;
- (i) costs of preparing, printing and distributing the Prospectus and Supplements, reports, fact sheets, publications, accounts and any explanatory memoranda;
- (j) any necessary translation fees;
- (k) any costs incurred as a result of periodic updates of the Prospectus of the Company, any Supplements, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (l) any foreign exchange costs incurred in converting Net Asset Value per Share from Base Currencies to Dealing Currencies where the Base Currencies and Dealing Currencies are not the same;
- (m) any other fees and expenses relating to the management and administration of the Company or attributable to the Company's Investments;
- (n) in respect of each financial year of the Company in which expenses are being determined, such proportion (if any) of the establishment expenses as are being discharged in that year;
- (o) stamp, transfer or similar duties;
- (p) taxes and contingent liabilities as determined from time to time by the Directors;
- (q) brokerage or other expenses of acquiring and disposing of Investments;
- (r) the Central Bank industry funding levy.

### **Allocation of Expenses**

All expenses, Duties and Charges (except where the Net Asset Value per Share of a Fund has been adjusted to reflect an amount considered by the Directors to represent an appropriate figure for Duties and Charges as further detailed below under the section entitled "Prices of Shares") and other relevant expenses will be charged to the Fund and Class within a Fund (as the case may be) in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund or Class, the expense will normally be allocated to all Funds or Classes in proportion to the Net Asset Value of the relevant Funds or Classes. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

### **Securities Lending Fee**

BlackRock Advisors (UK) Limited has been appointed as the securities lending agent of the Funds under the terms of a securities lending management agreement. Under the terms of the agreement, the securities lending agent is appointed to manage the Funds' securities lending activities and is entitled to receive a fee out of the income generated from securities lending. The fee of the securities lending agent represents direct costs (and if relevant indirect operational costs/fees) of the Funds' securities lending activities. All revenue generated from securities lending activities net of the securities lending agent's fee will be returned to the relevant Fund. If there is securities lending revenue generated, the securities lending agent will receive a fee of 37.5% of such securities lending revenue and will pay any



third party operational and administrative costs associated with, and incurred in respect of, such activity, out of its fee. To the extent that the securities lending costs payable to third parties exceed the fee received by the securities lending agent, the securities lending agent will discharge any excess amounts out of its own assets. Full financial details of the amounts earned and expenses incurred with respect to securities lending for the Funds, including fees paid or payable, will also be included in the annual and semi-annual financial statements. The securities lending arrangements and associated costs will be reviewed at least annually.

There are potential conflicts of interests in managing a securities lending program, including but not limited to: (i) BlackRock as lending agent may have an incentive to increase or decrease the amount of securities on loan or to lend particular securities in order to generate additional risk-adjusted revenue for BlackRock and its affiliates; and (ii) BlackRock as lending agent may have an incentive to allocate loans to clients that would provide more revenue to Blackrock. As described further below, BlackRock seeks to mitigate this conflict by providing its securities lending clients with equal lending opportunities over time in order to approximate pro-rata allocation.

As part of its securities lending program, BlackRock indemnifies the Funds and certain clients and/or funds against a shortfall in collateral in the event of borrower default. On a regular basis, BlackRock calculates the potential dollar exposure of collateral shortfall resulting from a borrower default ("shortfall risk") in the securities lending program. BlackRock established program wide borrower limits ("credit limits") to actively manage borrower-specific credit exposure BlackRock oversees the risk model that calculates projected collateral shortfall values using loan-level factors such as loan and collateral type and market value as well as specific borrower credit characteristics. When necessary, BlackRock may adjust securities lending program attributes by restricting eligible collateral or reducing borrower credit limits. As a result, the management of program-wide exposure as well as BlackRock specific indemnification exposure may affect the amount of securities lending activity BlackRock may conduct at any given point in time by reducing the volume of lending opportunities for certain loans (including by asset type, collateral type and/or revenue profile).

BlackRock uses a predetermined systematic process in order to approximate pro-rata allocation over time. In order to allocate a loan to a portfolio: (i) BlackRock as a whole must have sufficient lending capacity pursuant to the various program limits (i.e. indemnification exposure limit and borrower credit limits); (ii) the lending portfolio must hold the asset at the time a loan opportunity arrives; and (iii) the lending portfolio must also have enough inventory, either on its own or when aggregated with other portfolios into one single market delivery, to satisfy the loan request. In doing so, BlackRock seeks to provide equal lending opportunities for all portfolios, independent of whether BlackRock indemnifies the portfolio. Equal opportunities for lending portfolios does not guarantee equal outcomes. Specifically, short and long-term outcomes for individual clients may vary due to asset mix, asset/liability spreads on different securities, borrower and/or market demand for relevant assets and the overall limits imposed by the firm.

BlackRock may decline to make a securities loan on behalf of a Fund, discontinue lending on behalf of a Fund or terminate a securities loan on behalf of a Fund for any reason, including but not limited to regulatory requirements and/or market rules, liquidity considerations, or credit considerations, which may impact Funds by reducing or eliminating the volume of lending opportunities for certain types of loans, loans in particular markets, loans of particular securities or types of securities, or for loans overall.

## **ALLOCATION OF ASSETS AND LIABILITIES**

The Articles contain the following provisions regarding the operation of a Fund:

- (a) the records and accounts of each Fund shall be maintained separately in the Base Currency of the relevant Fund;
- (b) the liabilities of each Fund shall be attributable exclusively to that Fund;
- (c) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Depositary from the assets of other Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund;

- (d) the proceeds from the issue of each Class shall be applied to the relevant Fund established for that Class, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (e) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- (f) in the case where an asset or a liability of the Company which cannot be considered as being attributable to a particular Fund, the Directors shall have discretion, subject to the Act and the approval of the Auditors, to determine the basis upon which any asset shall be allocated between the Funds and the Directors shall have power at any time and from time to time to vary such basis provided that the approval of the Auditors shall not be required in any case where the asset is allocated between all Funds pro rata to their Net Asset Values.

## TAXATION

### General

*Prospective investors are urged to consult their own tax advisors in determining the possible tax consequences to them under the law of jurisdictions of which they are citizens, residents or domiciliaries and in which they conduct business. In addition, investors should be aware that tax regulations and legislation and their application and interpretation by the relevant taxation authorities may change from time to time, retroactively as well as prospectively. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Other legislation could be enacted that would subject the Company to additional taxes or subject Shareholders to increased taxes. Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company and affect the Company's ability to provide the investor returns.*

*The following summary is not a full description or analysis of the complex tax rules and considerations affecting the Shareholders, and the Company's proposed operations and is based upon existing laws, judicial decisions and administrative regulations, rulings and practices, all of which are subject to change. The tax and other matters described in this Taxation section do not constitute, and should not be considered as, tax or legal advice to prospective investors.*

Dividends, interest and capital gains (if any) which the Company receives with respect to its Investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of Investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

### Irish Taxation

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below.

### Definitions

For the purposes of this section, the following definitions shall apply:

#### "Courts Service"

The Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts.

#### "Equivalent Measures"

apply to an investment undertaking where the Irish Revenue have given the investment undertaking notice of approval in accordance with Section 739D(7B) of the Taxes Act and the approval has not been withdrawn.

#### "Exempted Irish Investor"

means:

- an Intermediary within the meaning of Section 739B of the Taxes Act;
- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act.

- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a qualifying management company within the meaning of Section 739B(1) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a specified company within the meaning of Section 734(1) of the Taxes Act;
- a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency being a person referred to in Section 739D(6)(ka) of the Taxes Act;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a company that is or will be within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act, in respect of payments made to it by the Company;
- an Irish Resident company investing in a money market fund being a person referred to in Section 739D(6)(k) of the Taxes Act;
- the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers' Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018); or
- any other Irish Resident or Irish Ordinary Resident who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company,

provided that they have completed the Relevant Declaration.

### **"Intermediary"**

means a person who:

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds shares in an investment undertaking on behalf of other persons.

**"Ireland"** means the Republic of Ireland.

### **"Irish Ordinary Resident"**

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident.

## "Irish Resident"

- in the case of an individual, means an individual who is resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is resident in Ireland for tax purposes.
- in the case of a company, means a company that is resident in Ireland for tax purposes.

### *Residence – Individual*

An individual will be regarded as being resident in Ireland for a particular twelve month tax year if s/he:

- spends 183 days or more in Ireland in that twelve month tax year; or
- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year.

Presence in a twelve month tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day.

### *Residence – Company*

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

A company incorporated in Ireland will be automatically considered resident in Ireland for tax purposes, unless it is considered resident in a jurisdiction with which Ireland has a double tax agreement. A company incorporated in a foreign jurisdiction that is centrally managed and controlled in Ireland will be treated as resident in Ireland for tax purposes, unless otherwise resident by virtue of a double tax agreement.

### *Residence – Trust*

Determining the tax residence of a trust can be complex. A trust will generally be regarded as resident in Ireland for tax purposes if a majority of its trustees are resident for tax purposes in Ireland. Where some, but not all, of the trustees are resident in Ireland, the residency of the trust will depend on where the general administration of the trust is carried on. In addition, the provisions of any relevant double tax agreement would need to be considered. As a result, each trust must be assessed on a case by case basis.

## "PPIU"

means, Personal Portfolio Investment Undertaking, an investment undertaking, under the terms of which some or all of the property of the undertaking may be, or was, selected by, or the selection of some or all of the property may be, or was, influenced by:

- (i) the investor;
- (ii) a person acting on behalf of the investor;
- (iii) a person connected with the investor;
- (iv) a person connected with a person acting on behalf of the investor;
- (v) the investor and a person connected with the investor; or
- (vi) a person acting on behalf of both the investor and a person connected with the investor.

An investment undertaking is not a PPIU if the only property which may be or has been selected was available to the public at the time that the property is available for selection by an investor and is clearly identified in the investment undertaking's marketing or other promotional material. The investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required.

## **"Relevant Declaration"**

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Irish Ordinary Resident (or Intermediaries acting for such investors) is set out in the Application Form accompanying this Prospectus.

## **"Relevant Period"**

means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

**"Taxes Act"**, means the Taxes Consolidation Act 1997 (of Ireland) as amended.

## **The Company**

The Company will be regarded as resident in Ireland for tax purposes as it is incorporated in Ireland and where the Company is not regarded as resident elsewhere under a double tax agreement. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish Resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. Under current Irish law and practice, on that basis it is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of the tax payable on a gain arising on a transfer of an entitlement to a Share. It also includes the ending of a Relevant Period.

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Irish Ordinary Resident at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not or is no longer materially correct.

A chargeable event will not be deemed to arise if at the time of the chargeable event Equivalent Measures have been formally agreed with the Revenue Commissioners and the approval has not been withdrawn and where there are no indicia of Irish tax residence in respect of a particular Shareholder. In the absence of a Relevant Declaration or Equivalent Measures there is a presumption that the investor is Irish Resident or Irish Ordinary Resident.

A chargeable event does not include:

- an exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- any transactions (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses, former spouses, civil partners or former civil partners, subject to certain conditions;
- any transaction in relation to, or in respect of, relevant Shares in an investment undertaking which transaction arises only by virtue of a change in the manager of funds administered by the Courts Service; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

The holding of Shares at the end of the Relevant Period will also constitute a chargeable event. To the extent that any tax arises on such chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares.

Should an excess payment of appropriate tax arise on the redemption of Shares as a result of tax paid on an earlier deemed chargeable event, the Company, on election, is not obliged to process the refund arising on behalf of a relevant Shareholder provided the value of the Shares does not exceed 15% of the total value of the Shares in the Company. Instead the Shareholder should seek such a repayment directly from the Revenue Commissioners.

Where the value of the Shares held by non-exempt Irish Shareholders is less than 10% of the value of the total Shares of the Company, the Company will not be obliged to deduct tax on the happening of a chargeable event on the ending of a Relevant Period, provided the Company elects to report certain information to the Revenue Commissioners and the Shareholder. In such circumstances, the Shareholder will have to account for the appropriate tax arising on the happening of the chargeable event on a self-assessment basis.

Where the chargeable event is the ending of a Relevant Period, the Company has the option of electing to value the Shares at certain dates other than at the date of the deemed eight year disposal itself.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment giving rise to a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against the loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Please see the "Shareholders" section below dealing with the tax consequences for the Company and the Shareholders of chargeable events in respect of:-

- Shareholders who are neither Irish Residents nor Irish Ordinary Residents; and
- Shareholders who are either Irish Residents or Irish Ordinary Residents.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at a rate of 25%. However, the Company can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

There is an obligation on the Company to provide an annual report to the Irish Revenue Commissioners in relation to certain Shareholders and the value of their investments in the Company. The obligation arises only in relation to Shareholders who are either Irish Resident or Irish Ordinary Resident.

Anti-avoidance provisions apply where an investment undertaking is regarded as a PPIU in respect of Irish tax resident individual Shareholders. In such circumstances any payment to a Shareholder will be taxed at a rate of 60%. It is a matter of fact whether or not the Shareholder or a connected person has a right of selection as envisaged in the anti-avoidance measures. Individual Shareholders should seek independent legal advice to ascertain whether the investment undertaking, as a result of their personal circumstances, could be regarded as a PPIU.

## **Shareholders**

### **(i) Shareholders who are neither Irish Residents nor Irish Ordinary Residents**

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Irish Ordinary Resident, (b) the Shareholder has made a Relevant Declaration and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct. In the absence of a Relevant Declaration or approval from Revenue to operate Equivalent Measures, tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Irish Ordinary Resident. The appropriate tax that will be deducted is as described in paragraph (ii) below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Irish Ordinary Resident no tax will have to be deducted by the Company on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such person and the Company is not in possession of any information that would reasonably suggest that the information contained therein is not, or is no longer materially correct or if the Directors have received approval from the Revenue Commissioners that Equivalent Measures are in place, this approval has not been withdrawn and there are no indicia of Irish tax residence in respect of a particular Shareholder.

A gain shall not be treated as arising to the Company on the happening of a chargeable event in respect of Shareholders who are neither Irish Residents nor Irish Ordinary Residents and who have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Shares or gains made on disposal of the Shares.

Where taxes are withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation does not provide for a refund of tax except in the following circumstances;

- i. The appropriate tax has been correctly returned by the Company and within one year of making of the return the Company can prove to the satisfaction of the Revenue Commissioners that it is just and reasonable for such tax which has been paid to be repaid to the Company.
- ii. Where a claim is made for a refund of Irish tax under Section 189, 189A, 192 and 205A of the Taxes Act (relieving provisions relating to incapacitated persons, trusts in relation thereto, persons incapacitated as a result of drugs containing thalidomide and Magdalen Laundry payments) the income received will be treated as net income chargeable to tax under Case III of Schedule D from which tax has been deducted.

## **(ii) Shareholders who are Irish Residents or Irish Ordinary Residents**

Unless a Shareholder is an Exempted Irish Investor and provides a Relevant Declaration to that effect or unless the Shares are purchased by the Courts Service or the Shareholder is a corporate which has provided a declaration of its corporate status, tax at the rate of 41% will have to be deducted by the Company on distributions and gains arising to the Shareholder on an encashment, redemption, cancellation or transfer of Shares by a Shareholder. Tax at a rate of 41% will also be required to be deducted by the Company on the ending of a Relevant Period at which time there is a deemed disposal of Shares by the Shareholder. Tax at a rate of 25% will have to be deducted by the Company where the Shareholder is a company regardless of the nature of the distribution and the Shareholder has provided a formal declaration of its corporate status.

There are a number of Irish Residents and Irish Ordinary Residents who are exempted from the provisions of the above regime once Relevant Declarations are in place. These are Exempted Irish Investors.

In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received. Where a currency gain is made by a Shareholder on the disposal of his or her Shares, such a Shareholder may be liable to capital gains tax in the year assessment in which the Shares are disposed of. Irish Resident corporate Shareholders who receive distributions from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the 25% rate has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any



tax deducted by the Company. Any Shareholder who is Irish Resident or Irish Ordinary Resident and receives a distribution or a gain on any encashment, redemption, cancellation or transfer of Shares from which tax has not been deducted may be liable to income tax or corporation tax on the amount of such distribution or gain.

### **(iii) Irish Courts Service**

Where Shares are held by the Courts Service no tax is deducted by the Company on payments made to the Courts Service. Where money under the control or subject to the order of the Court Service is applied to acquire Shares in the Company, the Courts Service assumes, in respect of those Shares acquired, the responsibilities of the Company with regard to, inter alia, deduction of tax in respect of chargeable events, filing returns and collection of the tax.

In addition, the Courts Service must make, in respect of each year of assessment, on or before 28 February in the year following the year of assessment, a return to the Revenue Commissioners which:

- (a) specifies the total amount of gains arising to the investment undertaking in respect of the Shares acquired; and
- (b) specifies in respect of each person who is or was beneficially entitled to those Shares:
  - where available, the name and address of the person,
  - the amount of total gains to which the person has beneficial entitlement, and
  - such other information as the Revenue Commissioners may require.

### **Stamp Duty**

Generally, no stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or property.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

No Stamp Duty will arise on reconstructions or amalgamations of investment undertakings under Section 739H of the Taxes Act, provided the reconstructions or amalgamations are undertaken for bona fide commercial purposes and not for the avoidance of tax.

### **Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither Irish domiciled nor Irish Ordinary Resident and (b) at the date of the disposition the Shareholder disposing of the Shares is not Irish domiciled nor Irish Ordinary Resident in Ireland and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

### **German Taxation**

It is the intention of the Manager to seek to maintain the status as “equity funds” or “mixed funds” (as applicable) pursuant to Sec. 2 para. 6 and 7 of the German Investment Tax Act as applicable from 1 January 2018 for the Funds listed below. Accordingly, as of the date of this Prospectus and notwithstanding any other provision in this Prospectus (including Appendix III), the Funds listed below

invest, at least, the following proportions of their respective Gross Assets on a continuous basis directly in Equities (as defined below in accordance with Sec. 2 para. 8 of the German Investment Tax Act as at 1 January 2018).

<b>Fund</b>	<b>Minimum % of Gross Assets invested in Equities</b>
BlackRock Europe Equity 1 Fund	51%
BlackRock Japan Equity 1 Fund	51%

The “Gross Assets” of the Funds are defined as the value of the assets of the respective Fund without considering liabilities of such Fund (Sec. 2 para. 9a sentence 1 of the German Investment Tax Act as applicable from 1 January 2018).

Corporate actions, subscriptions/redemptions, index rebalancings and market movements may temporarily cause a Fund not to meet the Equities investment levels set out above. The Funds may also enter into securities lending for the purpose of efficient portfolio management. The Equities investment levels set out above are exclusive of Equities that are lent out.

For the purpose of the above percentage numbers, “Equities” means in accordance with Sec. 2 para. 8 of the German Investment Tax Act as applicable from 1 January 2018:

1. Shares of a corporation which are admitted to official trading on a stock exchange or listed on an organised market (which is a market recognised and open to the public and which operates in a due and proper manner),
2. Shares of a corporation, which is not a real estate company and which:
  - a. is resident in a Member State or a member state of the EEA and is subject to income taxation for corporations in that state and is not tax exempt; or
  - b. is resident in any other state and is subject to an income taxation for corporations in that state at a rate of at least 15% and is not exempt from such taxation,
3. Fund units of an equity fund (being a fund that invests more than 50% of its gross assets on a continuous basis directly in Equities) with 51% of the equity fund units' value – or, if the investment conditions of the equity fund provide for a higher minimum Equities investment, with the respective higher percentage of the equity fund units' value – being taken into account as Equities, or
4. Fund units of a mixed fund (being a fund that invests at least 25% of its gross assets on a continuous basis directly in Equities) with 25% of the mixed fund units' value – or, if the investment conditions of the mixed fund provide for a higher minimum Equities investment, with the respective higher percentage of the equity fund units' value – being taken into account as Equities.

For purposes of calculating the investment levels set out above, the Funds may also consider the actual Equities quotas of the target funds published on each valuation day, provided that a valuation takes place at least once per week.

For the purpose of the above percentage numbers, the following in accordance with Sec. 2 para. 8 of the German Investment Tax Act as applicable from 1 January 2018 do not qualify as “Equities”:

1. Shares in partnerships, even if the partnerships are holding themselves shares in corporations,
2. Shares in corporations, which pursuant to Sec. 2 para. 9 sentence 6 of the German Investment Tax Act qualify as real estate,

3. Shares in corporations which are exempt from income taxation, to the extent these corporations are distributing their profits, unless the distributions are subject to a taxation of at least 15% and the investment fund is not exempt from this taxation, and
4. Shares in corporations,
  - a. whose income is directly or indirectly to more than 10% derived from shares in corporations, which do not fulfil the requirements of no. 2 a. or b. above, or
  - b. which are holding directly or indirectly shares in corporations that do not fulfil the requirements of no. 2. a. or b. above, if the value of these participations amounts to more than 10% of the market value of the corporations.

The above reflects the Manager's understanding of the relevant German tax legislation at the date of this Prospectus. The legislation is subject to change and so adjustments to these figures may be made without prior notice.

Investors should refer to their tax advisors in relation to the implications of the Funds obtaining the status as "equity funds" or "mixed funds" (as applicable) pursuant to Sec. 2 para. 6 and 7 of the German Investment Tax Act as applicable from 1 January 2018.

### **Belgian Taxation**

Belgian net asset tax is incurred by funds distributing into Belgium. The net asset tax of 0.0925% applies to the net outstanding assets of the funds placed in Belgium as of 31 December each year. The net outstanding amount is the net asset value of the funds held by Belgian investors or through a Belgian intermediary. The tax must be paid by 31 March each year and is paid out of the relevant Fund so while likely to be a small amount, it does impact all investors within such a Fund.

### **Foreign Account Tax Compliance Act ("FATCA")**

The Hiring Incentives to Restore Employment Act was signed into US law on 18 March 2010 and includes foreign account tax compliance provisions generally known as "FATCA". The thrust of these provisions is that details of US investors holding assets outside the US will be reported by financial institutions to the US Internal Revenue Services ("IRS") as a safeguard against US tax evasion. To discourage non-US financial institutions from staying outside this regime, FATCA provides that US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. This regime has been effective from 1 July 2014. The basic terms of FATCA appear to include the Company as a 'Financial Institution', such that, in order to comply, the Company may require all Shareholders to provide mandatory documentary evidence of their tax residence.

The US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement ("Irish IGA") on 21 December 2012.

The Irish IGA is intended to reduce the burden for Irish financial institutions of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish financial institution (unless the financial institution is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the IRS.

Accordingly, in order to comply with its FATCA obligations, the Company may require investors to provide the Company with information and documentation prescribed by applicable law and such additional documentation as reasonably requested by the Company. Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their particular circumstances.

Although the Company will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the Company pursuant to FATCA, no assurance can be given that the Company will be able to satisfy these obligations. If the

Company becomes subject to a withholding tax as a result of FATCA, the return of all investors may be materially affected.

Prospective investors should consult with their tax advisers regarding the possible implications of FATCA on their investment in the Company.

Each investor agrees to provide the Company with information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA.

### **The Common Reporting Standards ("CRS")**

The CRS is a single global standard on Automatic Exchange Of Information ("AEOI"). It was approved by the Organisation for Economic Co-operation and Development ("OECD") in February 2014 and draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non resident investors. The CRS was effective in Ireland from 1 January 2016. The Company will be required to provide certain information to the Irish Revenue Commissioners about non-Irish tax resident Shareholders (which information will in turn be provided to the relevant tax authorities).

#### ***Data protection notice - collection and exchange of information under the CRS***

For the purposes of complying with its obligations under the CRS as implemented in Irish law and to avoid the imposition of financial penalties thereunder, the Company may be required to collect certain information in respect of each non-Irish resident Shareholder (and the direct and indirect individual beneficial owners of the Shares (if any)) and, to the extent required pursuant to the CRS, to annually report such information to the Irish Revenue Commissioners. Such information includes the name, address, jurisdiction of residence, tax identification number (TIN), date and place of birth (as appropriate) of the non-Irish resident Shareholder and (if relevant) the direct or indirect beneficial owners of the Shares; the "account number" and the "account balance" or value at the end of each calendar year; and the gross amount paid or credited to the Shareholder during the calendar year (including aggregate redemption payments). Such information in relation to all non-Irish resident Shareholders will in turn be exchanged, in a secure manner, by the Irish Revenue Commissioners with the tax authorities of other relevant participating jurisdictions under the CRS in accordance with the requirements of (and solely for the purposes of compliance with) the CRS.

Further information in relation to the CRS can be found on the AEOI (Automatic Exchange of Information) webpage on [www.revenue.ie](http://www.revenue.ie).

Each investor agrees to provide the Company with information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under the CRS.

## STATUTORY AND GENERAL INFORMATION

### 1. Incorporation, Registered Office and Share Capital

The Company was incorporated in Ireland on 1 October 2002 as an investment company with variable capital with limited liability under registration number 362108, under the name "Merrill Lynch Institutional Pooled Funds Public Limited Company" and under a Certificate of Incorporation on change of name dated 22 November 2007 is known as "BlackRock Institutional Pooled Funds Public Limited Company".

The registered office of the Company is at J.P. Morgan, 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland.

On incorporation the authorised share capital of the Company was €40,000 divided into 40,000 Subscriber Shares of a par value of €1 each and 500,000,000,000 Shares of no par value. 40,000 Subscriber Shares were originally issued, 38,998 of which have since been redeemed and there are 2 Subscriber Shares currently in issue which are held by nominees of the Manager.

These Subscriber Shares may be repurchased by the Company at any time. The repurchase price will be €1 per Subscriber Share.

As at the date of this Prospectus, no capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

Neither the Subscriber Shares nor the Shares carry pre-emption rights.

### 2. Rights to Dividends and on a Winding Up

The holders of Subscriber Shares shall not be entitled to any dividend whatsoever in respect of their holding of Subscriber Shares; the holders of Shares shall be entitled to such dividends as the Directors may from time to time declare. In the event of a winding up or dissolution of the Company, holders of Subscriber Shares and Shares shall have the respective entitlements referred to on pages 110 to 111.

### 3. Voting Rights

Holders of Subscriber Shares and Shares shall each, on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per Subscriber Share or Shares, as applicable.

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, at any general meeting on a show of hands every holder of shares who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every share held.

To be passed, ordinary resolutions of the Company in general meeting will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the Shareholders present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to pass a Special Resolution including a resolution to (i) rescind, alter or amend an Article or make a new Article and (ii) wind up the Company.

### 4. Memorandum of Association

The Memorandum of Association of the Company provides that the Company's sole object is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the Regulations of capital raised from the public operating on the principle of

spreading investment risk in accordance with the Regulations. The objects of the Company are set out in full in Clause 3 of the Memorandum of Association which is available for inspection at the registered office of the Company.

## 5. Articles of Association

The following section is a summary of the principal provisions of the Articles not previously summarised in this Prospectus.

### *Alteration of share capital*

The Company may from time to time by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into share capital of a larger amount, sub-divide its shares or any of them into shares of a smaller amount or cancel any shares not taken or agreed to be taken by any person. The Company may also by Special Resolution from time to time reduce its share capital in any way permitted by law.

### *Issues of shares*

The Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Companies Act 2014 (the "Act")) allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the Company. All new Shares of any Class within a Fund will rank *pari passu* with existing Shares of the same Class in the same Fund.

### *Variation of rights*

Whenever the share capital is divided into different Classes of Shares, the rights attached to any Class of Shares may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued and outstanding Shares of that Class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of that Class and the necessary quorum shall be (other than at an adjourned meeting) two persons holding or representing by proxy Shares of the Class in question (and at the adjourned meeting the necessary quorum shall be one person holding shares of that class or his proxy).

The special rights attaching to any Shares of any Class shall not (unless the conditions of issue of such class expressly provide otherwise) be deemed to be varied by the creation or issue of other shares ranking *pari passu* therewith.

### *Transfers of Shares*

All transfers of shares shall be effected by an instrument in writing in a form approved by the Directors but need not be under seal. No transfer of Subscriber Shares may be effected without the prior written consent of the Company.

The instrument of transfer of a share must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Company's register of Shareholders in respect of such share.

The Directors may decline to register any transfer of shares:

- (i) unless the instrument of transfer in proper form is deposited at the registered office of the Company or such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and satisfying the Directors as to their requirements in relation to money laundering;
- (ii) where the transfer of a share or any renunciation of any allotment made is in respect of a Subscriber Share which is not fully paid; or

(iii) unless the instrument of transfer relates to Shares of one Fund and one Class only.

The registration of transfers may be suspended at such times and for such periods as the Directors may determine provided always that such registration may not be suspended for more than thirty days in any one year.

The Directors may decline to register any transfer of Shares:

- (a) where they are aware or believe that such transfer would be likely to result in the legal or beneficial ownership of such Shares by a person who is not a Qualified Holder or, in the case of the Class X Shares, to a person who has not entered into a Client Agreement or expose the Company to adverse tax or regulatory consequences; or
- (b) to a person who is not already a registered holder of Shares of any Class of the Company if, as a result of such transfer, the proposed transferee would not be the holder of a Minimum Holding.

#### *Directors*

Unless and until otherwise determined from time to time by the Company in general meeting, each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve. The Directors may also be paid, *inter alia*, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine.

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company on such terms as the Directors may determine.

Subject to the provisions of the Act and, provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:

- (iv) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof;
- (v) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company thereof is otherwise interested; and
- (vi) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

A Director shall not generally be permitted to vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. Notwithstanding the foregoing, a Director shall be entitled to vote (and be counted in the quorum) in respect of resolutions concerning certain matters in which he has an interest including (*inter alia*) any proposal concerning any other company in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in 10% or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived).

There is no provision in the Articles requiring a Director to retire by rotation or by reason of any age limit and no share qualification for Directors.

The number of Directors shall not be less than two (2).

The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two (2).

The office of a Director shall be vacated if:

- (vii) he ceases to be a Director by virtue of any provisions of the Act or becomes prohibited by law from being a Director;
- (viii) he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
- (ix) he is notified in writing (any such notice to be signed by all of his fellow Directors) that he is no longer a Director;
- (x) he resigns from his office by notice to the Company;
- (xi) he is convicted of an indictable offence and the Directors determine that as a result of such conviction he should cease to be a Director;
- (xii) he shall for more than six (6) consecutive months have been absent without permission of the Directors from any meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office.

The Company may also, as a separate power, in accordance with and subject to the provisions of the Act, by ordinary resolution of the Shareholders, remove any Director (including any managing director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Articles or in any agreement between the Company and any such Director.

#### *Borrowing powers*

The Directors may exercise all borrowing powers on behalf of the Company and mortgage or charge its undertaking, property and assets or any part thereof and to issue debentures, debenture stock or other securities whether outright or as collateral security for any debts or obligations only in accordance with the provisions of the Regulations.

#### *Dividends*

No dividends are payable on the Subscriber Shares.

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends on a Class or Classes, but no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve and in any event on the winding up of the Company or on the total redemption of Shares, any dividend which has remained unclaimed for six (6) years shall be forfeited.

#### *Distribution of assets on a liquidation*

If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims. The liquidator shall in relation to the assets available for distribution among the members make in the books of the Company such transfers thereof to and from Funds as may be necessary to ensure that the effective burden of such creditors' claims may be shared between the holders of shares of different classes in such proportions as the liquidator in his discretion may deem equitable having regard to the provisions under the heading "Allocation of Assets and Liabilities" above.



The assets available for distribution among the members shall then be applied in the following priority:

- (xiii) firstly, in the payment to the holders of the Shares of each Class of each Fund of a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such Class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any Class, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had:
  - A. first, to the assets of the Company not comprised within any of the Funds; and
  - B. second, to the assets remaining in the Funds for the other Classes (after payment to the holders of the Shares of the Classes to which they relate of the amounts to which they are respectively entitled under this paragraph (i)) pro rata to the total value of such assets remaining within each such Fund;
- (xiv) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under sub-paragraph (i) A. above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
- (xv) thirdly, in the payment to the holders of each Class of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares held;
- (xvi) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion and to the number of Shares held in each Class.

If the Company shall be wound-up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a Special Resolution and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability and any member may instruct the liquidator to sell any assets, to which he is entitled, on his behalf. The liquidator may with a like authority transfer the whole or part of the assets of the Company to a company (the "Transferee Company") on terms that members of any Class in the Company shall receive from the Transferee Company shares in the Transferee Company of the equivalent value to their shareholding in the Company and the liquidator shall be entitled with such authority to enter into an arrangement with the Transferee Company to give effect to any such transfer.

#### *Indemnities*

The Directors (including alternates), Secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of negligence or wilful misconduct).

### *The assets of the Company and the calculation of the Net Asset Value of the Shares*

The Net Asset Value of each Fund shall be expressed in the Base Currency of the relevant Fund (translated where necessary at such rate of exchange as the Directors think fit) and shall be the value of all the assets comprised in the Fund less all the liabilities attributable to the Fund subject to any regulations of the Central Bank pursuant to the Regulations.

The assets of the Company shall be deemed to include (i) all cash in hand, on deposit or on call including any interest accrued thereon and all accounts receivable; (ii) all bills, demand notes, certificates of deposit and promissory notes; (iii) all bonds, forward currency transactions, time notes, shares, stock, Shares of or participation in collective investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, contracts for differences, fixed rate securities, variable or floating rate securities, securities in respect of which the return and/or redemption amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for in respect of the Company, other than rights and securities issued by it; (iv) all stock and cash dividends and cash distributions to be received in respect of the Fund and not yet received by the Company but declared to stockholders on record on a date on or before the day as of which the Net Asset Value is being determined; (v) all interest accrued on any interest-bearing securities attributed to the Company except to the extent that the same is included or reflected in the principal value of such security; (vi) all other Investments of the Company; (vii) the establishment costs attributable to the Company and the cost of issuing and distributing Shares of the Company in so far as the same have not been written off; and (viii) all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.

The valuation principles to be used in valuing the Company's assets are as follows:

- (xvii) the value of any Investment which is quoted, listed or normally dealt in on a Regulated Market shall (save in the specific cases set out below) be the official close of business prices on the Regulated Market which, in the opinion of the Directors, constitutes the main market for such assets or, in the absence of market transactions, be based on the mid price for such Investment last available to the Directors at close of business in the relevant Market, provided that:
  - A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may, in their absolute discretion, select any one of such markets which constitutes the main market or the one which the Directors determine provides the fairest criteria in a valuation of the security for the foregoing purposes and once selected a market shall be used for future calculations of the Net Asset Value with respect to that Investment unless the Directors otherwise determine;
  - B. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which for any reason prices on that market may not be available at any relevant time or, in the opinion of the Directors, may not be representative, the value therefor shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association chosen by the Directors making a market in such Investment and approved by the Depository for such purpose and/or any other competent person, in the opinion of the Directors (and approved for such purpose by the Depository); and
  - C. in the case of any Investment which is quoted, listed or normally dealt in or on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant Regulated Market, the Investment may be valued taking into account the level of premium or discount at the date of the valuation with the approval of the Depository.
- (xviii) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association chosen by the Directors making a market in such

Investment (approved for the purpose by the Depositary) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Depositary);

- (xix) Units or shares in open-ended collective investment schemes will be valued at the latest available net asset value. Units or shares in other collective investment schemes will, if listed or traded on a stock exchange or over the counter market, be valued at the official close of business price on the relevant Dealing Day or, if unavailable or unrepresentative, the latest available net asset value of the collective investment scheme or, if unavailable or unrepresentative the probable realisation value calculated with care and in good faith by a competent person appointed by the Directors and approved for such purpose by the Depositary;
- (xx) the value of any cash in hand, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;
- (xxi) deposits shall be valued at their principal amount plus accrued interest from the date on which the same were acquired or made;
- (xxii) treasury bills shall be valued at the middle market dealing price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value estimated with care and in good faith by a competent person chosen by the Directors and approved for such purpose by the Depositary;
- (xxiii) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the latest available middle market dealing price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or traded) plus any interest accrued thereon from the date on which same were acquired;
- (xxiv) forward foreign exchange contracts will be valued by reference to the price at which a new forward contract of the same size and maturity could be undertaken;
- (xxv) the value of any futures contracts and options which are dealt in on a Regulated Market shall be calculated at that day's settlement price as determined by the market in question, provided that where it is not the practice of the relevant market to quote an official closing price or if such official closing price is not available for any reason, such value shall be the probable realisable value thereof estimated with care and in good faith by the Directors or a competent person approved for the purpose by the Depositary;
- (xxvi) any OTC derivative contracts shall be valued at least daily at a price obtained from the counterparty or by an alternative valuation provided by a competent person (which may be the Administrator or the Investment Manager) appointed by the Manager or Directors and approved by the Depositary for such purpose, or by any other means provided the value is approved by the Depositary. If a derivative instrument is valued at a price obtained from the counterparty, such price shall be verified at least weekly by a party independent of the counterparty (which may be the Administrator or the Investment Manager) approved for such purpose by the Depositary. If a derivative instrument is valued in any other way, such alternative valuation shall be reconciled on at least a monthly basis to a valuation provided by the counterparty and any significant difference shall be promptly investigated and explained;
- (xxvii) notwithstanding any of the foregoing sub-paragraphs, the Directors
  - I. with the approval of the Depositary may adjust the value of any Investment if,

having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof; and/or

- II. in order to comply with any applicable accounting standards, may present the value of any assets of the Company in financial statements to Shareholders in a manner different to that set out in this section;

(xxviii) if in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide with the approval of the Depositary;

(xxix) notwithstanding the foregoing, where at any time of any valuation any asset of the Company has been realised or contracted to be realised there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company.

Any certificate as to Net Asset Value of any Share given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Directors shall be binding on all parties.

#### 6. Circumstances of a Winding-Up

The Company shall be wound up in the following circumstances:

- by the passing of a Special Resolution for a winding-up;
- where the Company suspends its business for a year;
- where the number of members falls below the statutory minimum of 7;
- where the Company is unable to pay its debts and a liquidator has been appointed;
- where the appropriate court in Ireland is of the opinion that the Company's affairs and the powers of the Directors have been exercised in a manner oppressive to members;
- where the appropriate court in Ireland is of the opinion that it is just and equitable that the Company should be wound up.

#### 7. Compliance with Applicable Laws and Regulations

As a result of any applicable laws and regulations, including but not limited to, relevant anti-money laundering legislation, tax laws and regulatory requirements, Shareholders 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 they are an existing Shareholder. Until the requested documentation or additional information is provided by the Shareholder, the Directors reserve the right to withhold issuance, redemption and approval of transfers of Shares. In case of delay or failure to provide such requested documentation or additional information, the Company and the Manager (and the Administrator on behalf of the Manager) may take such action as they see fit including the right to redeem issued Shares compulsorily.

#### 8. Commissions

Save as disclosed under the heading "Fees and Expenses" above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.

## 9. Directors' Interests

No Directors or connected person has any interest in the Shares of the Company.

There are no existing or proposed service contracts between any of the Directors and the Company.

Mr McGrath and Mr Drought are employees of the BlackRock Group (of which the Manager and Investment Manager are part).

## 10. Conflicts of Interest

The Manager and other BlackRock Group companies undertake business for other clients. BlackRock Group companies, their employees and their other clients face conflicts with the interests of the Manager and its clients. BlackRock maintains a Conflicts of Interest Policy. It is not always possible for the risk of detriment to a client's interests to be entirely mitigated such that, on every transaction when acting for clients, a risk of detriment to their interests does not remain.

The types of conflict scenario giving rise to risks which BlackRock considers it cannot with reasonable confidence mitigate are disclosed below. This document, and the disclosable conflict scenarios, may be updated from time to time.

### 10.1 Conflicts of Interest within the BlackRock Group

#### PA Dealing

BlackRock Group employees may be exposed to clients' investment information while also being able to trade through personal accounts. There is a risk that, if an employee could place a trade of sufficient size, this would affect the value of a client's transaction. BlackRock Group has implemented a Personal Trading Policy designed to ensure that employee trading is pre-approved.

#### Employee Relationships

BlackRock Group employees may have relationships with the employees of BlackRock's clients or with other individuals whose interests conflict with those of a client. Such an employee's relationship could influence the employee's decision-making at the expense of clients' interests. BlackRock Group has a Conflicts of Interest Policy under which employees must declare all potential conflicts.

### 10.2 Conflicts of interest of the Manager

#### Aladdin Provider

BlackRock Group uses Aladdin software as a single technology platform across its investment management business. Custodial and fund administration service providers may use Aladdin Provider, a form of Aladdin software, to access data used by the Investment Manager and Manager. Each service provider remunerates BlackRock Group for the use of Aladdin Provider. A potential conflict arises whereby an agreement by a service provider to use Aladdin Provider incentivises the Manager to appoint or renew appointment of such service provider. To mitigate the risk, such contracts are entered on an 'arm's length' basis.

#### Distribution Relationships

The Principal Distributor may pay third parties for distribution and related services. Such payments could incentivise third parties to promote a Fund to investors against that client's best interests. BlackRock Group companies comply with all legal and regulatory requirements in the jurisdictions in which such payments are made.

MiFID II introduces restrictions on the receipt and retention of fees, commissions, monetary and non-monetary benefits ("inducements") where firms, regulated under MiFID II, provide clients with portfolio management services or independent investment advice. It also introduces obligations where firms provide clients with other services (such as execution services or restricted

investment advice). In such cases, where a firm receives and retains an inducement, it must ensure that the receipt and retention of the inducement is designed to enhance the quality of the relevant service to the client and is properly disclosed. Where authorised intermediaries are subject to MiFID II and receive and/or retain any inducements, they must ensure that they comply with all applicable legislation, including, those introduced by MiFID II.

#### Dealing Costs

Dealing costs are created when investors deal into and out of a Fund. There is a risk that other clients of the Fund bear the costs of those joining and leaving. BlackRock Group has policies and procedures in place to protect investors from the actions of others including anti-dilution controls.

### 10.3 Conflicts of interest of the Investment Manager

#### Commissions & Research

Where permitted by applicable regulation (excluding, for the avoidance of doubt, any Funds which are in scope for MiFID II), certain BlackRock Group companies acting as investment manager to the Funds may use commissions generated when trading equities with certain brokers in certain jurisdictions to pay for external research. Such arrangements may benefit one Fund over another because research can be used for a broader range of clients than just those whose trading funded it. BlackRock Group has a Use of Commissions Policy designed to ensure compliance with applicable regulation and market practice in each region.

#### Timing of Competing Orders

When handling multiple orders for the same security in the same direction raised at or about the same time, the Investment Manager seeks to achieve the best overall result for each order equitably on a consistent basis taking into account the characteristics of the orders, regulatory constraints or prevailing market conditions. Typically, this is achieved through the aggregation of competing orders. Conflicts of interest may appear if a trader does not aggregate competing orders that meet eligibility requirements, or does aggregate orders that do not meet eligibility requirements; it may appear as if one order received preferential execution over another. For a specific trade instruction of the Fund, there may be a risk that better execution terms will be achieved for a different client. For example, if the order was not included in an aggregation. BlackRock Group has Order Handling Procedures and an Investment Allocation Policy which govern sequencing and the aggregation of orders.

#### Concurrent Long and Short Positions

The Investment Manager may establish, hold or unwind opposite positions (i.e. long and short) in the same security at the same time for different clients. This may prejudice the interests of the Investment Manager's clients on one side or the other. Additionally, investment management teams across the BlackRock Group may have long only mandates and long-short mandates; they may short a security in some portfolios that are held long in other portfolios. Investment decisions to take short positions in one account may also impact the price, liquidity or valuation of long positions in another client account, or vice versa. BlackRock Group operates a Long Short (side by side) Policy with a view to treating accounts fairly.

#### Cross Trading - Pricing Conflict

When handling multiple orders for the same security, the Investment Manager may 'cross' trades by matching opposing flows to obtain best execution. When crossing orders, it is possible that the execution may not be performed in the best interests of each client; for example, where a trade did not constitute a fair and reasonable price. BlackRock Group reduces this risk by implementing a Crossing Policy.

#### MNPI

BlackRock Group companies receive Material Non-Public Information (MNPI) in relation to listed securities in which BlackRock Group companies invest on behalf of clients. To prevent wrongful trading, BlackRock Group erects Information Barriers and restricts trading by one or more investment team(s) concerned in the security concerned. Such restrictions may negatively impact the investment performance of client accounts. BlackRock has implemented a Material Non-Public Information Barrier Policy.

#### BlackRock's Investment Constraints or Limitations and its Related Parties

A Fund may be restricted in its investment activities due to ownership threshold limits and reporting obligations in certain jurisdictions applying in aggregate to the accounts of clients of the BlackRock Group. Such restrictions may adversely impact clients through missed investment opportunities. BlackRock Group manages the conflict by following an Investment and Trading Allocation Policy, designed to allocate limited investment opportunities among affected accounts fairly and equitably over time.

#### Investment in Related Party Products

While providing investment management services the Investment Manager may invest in products serviced by BlackRock Group companies on behalf of clients or may seed other products (including other collective investment schemes) sponsored or managed by the Investment Manager or an Affiliate. In respect of investments made by a Fund in units of other collective investment schemes, the Investment Manager may invest solely in investment products which are sponsored or managed by the Investment Manager or an Affiliate. Such activities could increase the revenue of the BlackRock Group. In managing this conflict, BlackRock seeks to follow investment guidelines and has a Global Conflicts of Interest Policy and a Code of Business Conduct and Ethics.

#### Investment Allocation and Order Priority

When executing a transaction in a security on behalf of a client, it can be aggregated and the aggregated transaction fulfilled with multiple trades. Trades executed with other client orders result in the need to allocate those trades. The ease with which the Investment Manager can allocate trades to a certain client's account can be limited by the sizes and prices of those trades relative to the sizes of the clients' instructed transactions. A process of allocation can result in a client not receiving the whole benefit of the best priced trade. The Investment Manager manages this conflict by following an Investment and Trading Allocation Policy, which is designed to ensure the fair treatment of all clients' accounts over time.

#### Fund Look Through

BlackRock Group companies may have an informational advantage when investing in proprietary BlackRock funds on behalf of client portfolios. Such an informational advantage may lead a BlackRock Group company to invest on behalf of its client earlier than the Investment Manager invests for a Fund. The risk of detriment is mitigated through BlackRock Group's pricing of units and anti-dilution mechanisms.

#### Side-by-Side Management: Performance fee

The Investment Manager manages multiple client accounts with differing fee structures. There is a risk that such differences lead to inconsistent performances levels across client accounts with similar mandates by incentivising employees to favour accounts delivering performance fees over flat or non-fee accounts. BlackRock Group companies manage this risk through a commitment to a Code of Business Conduct and Ethics.

### 10.4 Conflicts of interest of the Depositary

As part of the normal course of global custody business, the Depositary may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. Within a multi-service banking group such as JP Morgan, from time to time conflicts may arise between the Depositary and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to a Fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the Funds e.g. foreign exchange, securities lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will at all times have regard to its obligations under applicable laws including its obligation under the Directive not to carry out activities with regard to the Company or with regard to the Manager acting on behalf of the Company that may create conflicts of interest between itself and the Company, its investors and/or the Manager unless the Depositary has separated the performance of its depositary tasks

from its other potentially conflicting tasks and the potential conflicts are identified, managed, monitored and disclosed to investors.

#### 11. Meetings

The financial year-end of the Company is 30 September in each year. Shareholders will be sent copies of the audited accounts prior to the annual general meeting in each year.

Annual general meetings will be held in Ireland. Notices convening each annual general meeting will be sent to Shareholders together with the annual accounts and reports not later than twenty-one days before the date fixed for the meeting.

#### 12. Litigation

The Company is not engaged in any litigation or arbitration proceedings and the Directors are not aware of any litigation or claim pending or threatened by or against the Company since its incorporation.

#### 13. Material Contracts

The following contracts not being contracts entered into in the ordinary course of business, have been entered into by or in relation to the Company and are, or may be, material:

- the Management Agreement;
- the Depositary and Custodian Agreement;
- the Administration Agreement;
- the Investment Management Agreement; and
- the Distribution Agreement.

Details of the above contracts are given under the heading "Management and Administration" above.

#### 14. Miscellaneous

The Company does not have as at the date of this Prospectus, any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase commitments, guarantees or other contingent liabilities.

The Company does not have, nor has it had since its incorporation, any employees.

Save as disclosed in paragraph 9 above, no Director has any interest direct or indirect in the promotion of the Company or in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired by, disposed of or leased to the Company, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the Company.

The Company has not and does not intend to purchase or acquire nor agree to purchase or acquire any real property.

#### 15. Inspection of Documents

Copies of the following documents will be available for inspection at any time during normal business hours on any Business Day free of charge at the offices of the Manager in Dublin:



- the Prospectus, any Supplement and any KIID or KID;
- Memorandum and Articles of Association of the Company;
- the Management Agreement;
- the Depositary and Custodian Agreement;
- the Administration Agreement;
- the Investment Management Agreement;
- the Distribution Agreement;
- the latest annual and half-yearly reports of the Company;

Copies of the Memorandum and Articles of Association of the Company can be obtained free of charge at the above locations and copies of the latest annual and half-yearly reports of the Company can be obtained free of charge at the Company's registered office.

## APPENDIX I

### Regulated Markets

With the exception of permitted investment in unlisted securities, or in Shares of open-ended collective investment schemes, investments will be restricted to those stock exchanges and markets listed below as supplemented and amended from time to time. These stock exchanges and markets are listed in accordance with the UCITS Requirements, it being noted that the Central Bank does not issue a list of approved markets and exchanges.

All stock exchanges in any Member State (except Malta), Australia, Canada, China, Hong Kong, Iceland, Japan, New Zealand, Norway, Saudi Arabia, Switzerland, the United Kingdom or the United States on which transferable securities admitted to official listing are dealt in or traded.

The following stock exchanges:-

in Argentina	Bolsa de Comercio de Buenos Aires Mercado Abierto Electronico S.A.
in Brazil	the Rio de Janeiro Stock Exchange BM & F BOVESPA S.A the Sao Paulo Stock Exchange
in Chile	the Santiago Stock Exchange (SSE) the Bolsa Electronica de Chile
in Colombia	the Bolsa de Valores de Colombia (BVC)
in Egypt	the Egyptian Exchange (EGX)
in India	the National Stock Exchange (NSE) the Bombay Stock Exchange (BSE) Delhi Stock Exchange Limited (DSE)Madras Stock Exchange (MSE)
in Indonesia	Indonesia Stock Exchange (Bursa Efek Indonesia)
in Israel	the Tel Aviv Stock Exchange
in the Republic of Korea	Korea Exchange Inc. KOSDAQ
in Malaysia	Bursa Malaysia BHD
in Mexico	Mexican Stock Exchange (Bolsa Mexicana de Valores)
in Morocco	the Casablanca Stock Exchange
in Peru	Lima Stock Exchange (Bolsa de Valores de Lima)
in Philippines	the Philippine Stock Exchange
in Russia	Moscow Exchange MICEX-RTS (MOEX)
in Singapore	Singapore Exchange Limited

in South Africa	the Johannesburg Stock Exchange Limited
in Taiwan	the Taiwan Stock Exchange
in Thailand	the Stock Exchange of Thailand
in Turkey	the Istanbul Stock Exchange
in Venezuela	Caracas Stock Exchange (Bolsa de Valores de Caracas)

- (a) Any approved derivative market within the EEA, the United Kingdom, Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, Switzerland and the United States.
- (b) The Second Marche of the stock exchange set up in France in accordance with the laws of France.

The Tokyo Over-the-Counter Market regulated by the Securities Dealers Association of Japan.

The Alternative Investment Market regulated and operated by the London Stock Exchange Limited.

The over the counter market in the United States regulated by the National Association of Securities Dealers.

The market in the United Kingdom known previously as the "Grey Book Market" that is conducted through persons governed by Chapter 3 of the Financial Conduct Authority's Market Conduct Sourcebook (inter-professional conduct).

The markets organised by the International Capital Market Association.

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York.

NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc.).

NASDAQ OMX Europe (the National Association of Securities Dealers Automated Quotation in Europe).

Euronet Worldwide, Inc.

MATIF SA (Marché à Terme International de France).

The French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments).

The over-the-counter market in Canadian Government Bonds, regulated by the Investment Industry Regulatory Organisation of Canada (previously known as the Investment Dealers Association of Canada).

The market conducted by "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)".

The over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority (previously known as the National Association of Securities Dealers Inc.).

For the purposes only of determining the value of the assets of a Fund, the term "Regulated Market" shall be deemed to include, in relation to any futures or options contract utilised by a Fund for the purposes of efficient portfolio management, performance enhancement or to provide protection against

exchange risk, any organised exchange or market on which such futures or options contracts are regularly traded and may include the following:

The Chicago Board of Trade;

The Chicago Board Options Exchange;

The Chicago Mercantile Exchange;

Hong Kong Exchanges and Clearing Limited (HKEx);

Euronext LIFFE;

Marchè de Options Négociables de Paris (MONEP);

MEFF Renta Fija (the Barcelona Futures Exchange);

MEFF Renta Variable (the Madrid Futures Exchange);

Australia Securities Exchange (ASX Limited);

Tokyo International Financial Futures Exchange (TIFFE);

Eurex Exchange;

New York Mercantile Exchange (NYMEX).

For the purposes of investments in FDIs, a Fund will only invest in FDIs dealt in on Regulated Markets in the EEA referred to above or in any of the other non-EEA Regulated Markets referred to above.

## APPENDIX II

### Efficient Portfolio Management

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

The following provisions apply whenever a Fund proposes to engage in transactions in FDIs including, but not limited to, futures, forwards, swaps, options, contracts for difference, swaptions and warrants, where the transactions are for the purposes of the efficient portfolio management of the Fund or for direct investment purposes (and such intention is disclosed in the Fund's investment policy).

The Investment Manager employs a risk management process in respect of the Funds in accordance with the UCITS Requirements to enable it to accurately monitor, measure and manage, the global exposure from FDIs ("global exposure") which each Fund gains. The Investment Manager uses one of two methodologies: the "commitment approach" or "Value at Risk" ("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 disclosed under the heading "Investment Objectives and Policies". The Company will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

VaR and the commitment approach are described in detail below.

#### VaR

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 Investment Manager 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 a Fund must not exceed twice the VaR of its benchmark or reference portfolio. 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 Absolute VaR of a Fund must not exceed 20% of that Fund's Net Asset Value.

The type of VaR measure used for each relevant Fund is disclosed under the heading "Investment Objectives and Policies" above, where this is Relative VaR the appropriate benchmark or reference portfolio used in the Relative VaR calculation is also disclosed.

#### Commitment Approach

The Commitment Approach is a methodology that aggregates: (a) the underlying market or notional values of financial derivative instruments; and (b) the exposure arising from techniques and instruments, including repurchase agreements, utilised in order to generate additional leverage or exposure to market risk, to determine the degree of global exposure of a Fund.

Pursuant to the UCITS Requirements, the global exposure of a Fund calculated using the commitment approach must not exceed 100% of that Fund's Net Asset Value.

Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting

from direct investments, may not exceed the investment limits set out in the UCITS Requirements. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out in the UCITS Requirements).

A Fund may invest in FDIs dealt in OTC provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank. Counterparties to swap transactions will not have discretion over the assets of a Fund. Collateral received in connection with swap transactions shall be marked-to-market daily and subject to daily variation margin.

Investment in FDIs are subject to the UCITS Requirements.

## **B. Efficient Portfolio Management - Other Techniques and Instruments**

1. In addition to the investments in FDIs noted above, the Company may employ other techniques and instruments relating to transferable securities and money market instruments subject to the Regulations and the conditions imposed by the Central Bank such as repurchase/reverse repurchase agreements, (“repo contracts”) 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 FDIs which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost-effective way;
- (b) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the UCITS Requirements;
- (c) their risks (where relevant and required to be) are adequately captured by the risk management process of the Fund; and
- (d) they cannot result in a change to the Fund’s declared investment objectives or add supplementary risks in comparison to the general risk policy as described in the sales documents.

Techniques and instruments (other than FDIs) which may be used for efficient portfolio management purposes are set out below.

2. Use of Repurchase/Reverse Repurchase and Securities Lending Agreements

The following applies to repo contracts and securities lending arrangements, in particular, and reflects the requirements of the “ESMA Guidelines on ETFs and Other UCITS Issues” ESMA/2012/832EN (the “ESMA Guidelines”) and is subject to changes thereto:

- (a) Repo contracts and securities lending may only be effected in accordance with normal market practice.
- (b) The 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.

- (c) Repo contracts or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively, of the UCITS Regulations.
- (d) 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.
- (e) 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 callable 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.
- (f) The Company conducts credit assessments of counterparties to a repo contract or securities lending arrangement. Where a counterparty is subject to a credit rating by an agency registered and supervised by the European Securities and Markets Authority (“ESMA”) that rating shall be taken into account in the credit assessment process and where the counterparty is downgraded by the credit rating agency to A-2 or below (or comparable rating), a new credit assessment of the counterparty is conducted by the Company without delay.

All revenues from efficient portfolio management techniques will be returned to the relevant Fund, net of direct and indirect operational costs and fees (which do not include hidden revenue). For further information please see the section entitled “Securities Lending Fee”.

### 3. When Issued, Delayed Delivery and Forward Commitment Securities

The Company may invest in securities on a when-issued, delayed delivery and forward commitment basis and such securities will be taken into consideration in calculating a Fund's investment restriction limits.

#### **C. Risks and potential conflicts of interest involved in efficient portfolio management techniques.**

There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities (see further below). Please refer to the section of this Prospectus entitled “Conflicts of Interest” and “Risk Factors” and, in particular but without limitation, the risk factors relating to FDI risks, counterparty risk and securities lending risk. These risks may expose investors to an increased risk of loss.

#### **D. Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques**

*For the purposes of this section, “Relevant Institutions” refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No.575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No.648/2012.*

*The following provisions reflect the requirements of the ESMA Guidelines ESMA/2012/832EN as implemented by the Central Bank (which are subject to changes thereto).*

- (a) Collateral obtained in respect of OTC FDIs and efficient portfolio management techniques (“Collateral”), such as a repo contract or securities lending arrangement, will be of an appropriate type for the given transaction and the particular counterparty and may be in the form of cash or securities (without restriction as to the issuer type or location, or maturity) and must comply with the following criteria:
  - (i) liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations;
  - (ii) valuation: Collateral should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;
  - (iii) issuer credit quality: Collateral should be of high quality. The Company shall ensure that:
    - (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and
    - (b) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (a) this shall result in a new credit assessment being conducted of the issuer by the Company without delay;
  - (iv) correlation: Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Company to expect that such collateral would not display a high correlation with the performance of the counterparty;
  - (v) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a 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. A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, its local authorities, as well as non-Member States and public international bodies set out in Appendix III, paragraph 2.12. Such a Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund’s Net Asset Value; and
  - (vi) immediately available: Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- (b) Until the expiry of the repo contract or securities lending arrangement, Collateral obtained under such contracts or arrangements:
  - (i) must be marked to market daily; and
  - (ii) is intended to equal or exceed the value of the amount invested (in the case of reverse repurchase agreements) or must equal the value of the securities loaned plus a premium (in the case of repurchase agreements or securities lending arrangements).
- (c) Collateral must be held by the Depositary, or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the



Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.

(d) Non-cash Collateral:

Non-cash Collateral cannot be sold, re-invested or pledged.

(e) Cash Collateral:

Cash received as Collateral may only be:

- (i) placed on deposit with Relevant Institutions;
- (ii) invested in high quality government bonds;
- (iii) used for the purpose of reverse repurchase agreements provided the transactions are with Relevant Institutions and the Fund can recall at any time the full amount of the cash on an accrued basis; and
- (iv) invested in short term money market funds.

Re-invested cash Collateral should be diversified in accordance with the diversification requirements applicable to non-cash Collateral set out in (a) (v) above.

- (f) 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.
- (g) The risk exposures to a counterparty arising from OTC FDIs and efficient portfolio management techniques should be combined when calculating the counterparty risk limits set out in Appendix III, paragraph 2.8.

## **E. Counterparty Selection & Review**

BlackRock Group select from an extensive list of full service and execution-only brokers and counterparties. All prospective and existing counterparties require the approval of the Counterparty and Concentration Risk Group (“CCRG”), which is part of BlackRock’s independent Risk & Quantitative Analysis department (“RQA”).

In order for a new counterparty to be approved, a requesting portfolio manager or trader is required to submit a request to the CCRG. The CCRG will review relevant information to assess the credit-worthiness of the proposed counterparty in combination with the type and settlement and delivery mechanism of the proposed security transactions. BlackRock’s established counterparty credit risk management policy does not make reference to a minimum credit rating as part of the review and approval process. Eligible counterparties may be constituted as companies, trusts, partnerships or their equivalent, and will be institutions subject to prudential supervision, domiciled in OECD and non-OECD countries. A list of approved trading counterparties is maintained by the CCRG and reviewed on an on-going basis.

Counterparty reviews take into account the fundamental creditworthiness (ownership structure, financial strength, regulatory oversight) and commercial reputation of specific legal entities in conjunction with the nature and structure of proposed trading activities. Counterparties are monitored on an ongoing

basis through the receipt of audited and interim financial statements, via portfolio alerts with market data service providers, and where applicable, as part of BlackRock Group's internal research process. Formal renewal assessments are performed on a cyclical basis.

BlackRock Group select brokers based upon their ability to provide good execution quality (i.e. trading), whether on an agency or a principal basis; their execution capabilities in a particular market segment; their operational quality and efficiency; and we expect them to adhere to regulatory reporting obligations.

Once a counterparty is approved by the CCRG, broker selection for an individual trade is then made by the relevant dealer at the point of trade, based upon the relative importance of the relevant execution factors. For some trades, it is appropriate to enter into a competitive tender amongst a shortlist of brokers. BlackRock Group perform pre-trade analysis to forecast transaction cost and to guide the formation of trading strategies including selection of techniques, division between points of liquidity, timing and selection of broker. In addition, BlackRock Group monitors trade results on a continuous basis.

Broker selection will be based on a number of factors including, but not limited to the following:

- Ability to execute and execution quality;
- Ability to provide liquidity/capital;
- Price and quote speed;
- Operational quality and efficiency; and
- Adherence to regulatory reporting obligations.

## APPENDIX III

### Investment and Borrowing Restrictions

Investment of the assets of the relevant Fund must comply with the Regulations. The Regulations provide:

<b>1</b>	<b>Permitted Investments</b>
	Investments of each Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in the UCITS Requirements, other than those dealt on a regulated market.
<b>1.4</b>	Shares of UCITS.
<b>1.5</b>	Shares of Non-UCITS as prescribed in the UCITS Requirements.
<b>1.6</b>	Deposits with credit institutions as prescribed in the UCITS Requirements.
<b>1.7</b>	Financial derivative instruments as prescribed in the UCITS Requirements.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	Each Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the Fund.</li> </ul>
<b>2.3</b>	Each Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund. To avail of this provision the prior approval of the Central Bank is required.
<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

2.6	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	Each Fund may not invest more than 20% of its Net Asset Value in deposits and cash booked in accounts and held as ancillary liquidity with the same credit institution.
	Deposits, or cash booked in accounts and held as ancillary liquidity, shall only be made with a credit institution which is within at least one of the following categories:
	<ul style="list-style-type: none"> <li>• a credit institution authorised in the EEA (a Member State, Norway, Iceland, Liechtenstein);</li> <li>• a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or</li> <li>• a credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No.575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No.648/2012.</li> </ul>
2.8	The risk exposure of a Fund to a counterparty to an OTC FDI may not exceed 5% of its Net Asset Value.
	This limit is raised to 10% in the case of a credit institution which is within at least one of the categories of credit institution specified in paragraph 2.7.
2.9	Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
	<ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- risk exposures arising from OTC derivatives transactions.</li> </ul>
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	Each Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.
	<p>The individual issuers must be listed in the Prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC.</p> <p>Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>

<p><b>3.1</b></p> <p><b>3.2</b></p> <p><b>3.3</b></p> <p><b>3.4</b></p> <p><b>3.5</b></p>	<p>Subject to section 3.2, investments made by a Fund in units of a UCITS or other CIS may not exceed, in aggregate, 10% of the net assets of the Fund.</p> <p>Notwithstanding the provisions of section 3.1, where the investment policy of a Fund states in the Prospectus or a Supplement that it may invest more than 10% of its assets in UCITS or other CIS, the following restrictions shall apply instead of the restrictions set out at section 3.1 above:</p> <p>(a) a Fund may not invest more than 20% of its Net Asset Value in any one UCITS or other CIS;</p> <p>(b) a Fund's Investments in non-UCITS CIS may not, in aggregate, exceed 30% of a Fund's Net Asset Value;</p> <p>A Fund may not invest in a UCITS or other CIS which is not itself prohibited from investing more than 10% of its net asset value in other open-ended CIS.</p> <p>When a Fund invests in the Shares of other CIS that are managed, directly or by delegation, by the Fund's management company or by any other company with which the Fund's management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the Shares of such other CIS.</p> <p>Where by virtue of investment in the units of another CIS, the Manager or the Investment Manager receives a commission on behalf of a Fund (including a rebated commission), the Manager shall ensure that the relevant commission is paid into the property of the Fund.</p> <p>The following investment restrictions apply where a Fund invests in other Funds of the Company:-</p> <ul style="list-style-type: none"> <li>• a Fund will not invest in a Fund of the Company which itself holds shares in other Funds within the Company;</li> <li>• a Fund investing in such other Fund of the Company will not be subject to subscription or redemption fees;</li> <li>• the Manager will not charge a management fee to a Fund in respect of that portion of the Fund's assets invested in another Fund of the Company (this provision also applies to the annual fee charged by the Investment Manager where this fee is paid directly out of the assets of the Company); and</li> <li>• investment by a Fund in another Fund of the Company will be subject to the limits set out in paragraph 3.1 above (where the investing Fund is not a fund of funds) and 3.2 above (where the investing Fund is a fund of funds).</li> </ul>
<p><b>4</b></p>	<p><b>Index Tracking UCITS</b></p>
<p><b>4.1</b></p> <p><b>4.2</b></p>	<p>A Fund may invest up to 20% of its net asset in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the UCITS Requirements and is recognised by the Central Bank.</p> <p>The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions, for example, market dominance. Market dominance exists where a particular constituent of a Benchmark Index has a dominant position in the particular market sector in which it operates and as such accounts for a large proportion of a Benchmark Index.</p>
<p><b>5</b></p>	<p><b>General Provisions</b></p>
<p><b>5.1</b></p>	<p>The Company, or Manager acting in connection with all of the Funds it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the</p>

	management of an issuing body.
<b>5.2</b>	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) Shares 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 shares at shareholders' request exclusively on their behalf.</li> </ul>
<b>5.4</b>	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
<b>5.7</b>	<p>The Company may not carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments;</li> <li>- Shares of CIS; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A Fund may hold ancillary liquid assets.
<b>6</b>	<b>Borrowing Restrictions</b>
<b>6.1</b>	The Company may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. The Depositary may give a charge over the assets of a Fund in order to secure the borrowings attributed to it. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;

**6.2**

The Company may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph 6.1, provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph 6.1 above.

## APPENDIX IV

### Indices Disclaimers

#### Disclaimer for Reference to Benchmark Index and Index Provider Website

In accordance with Central Bank requirements, the Company and the Index Funds are required to provide details of the relevant index provider's website ("Website") to enable Shareholders to obtain further details of the relevant Index Fund's Benchmark Index (including the index constituents). The Company and the Index Funds have no responsibility for each Website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of each Website or the contents thereof. Furthermore, the Company and the Index Funds have no responsibility for the index provider's Benchmark Index nor for the quality, accuracy or completeness of data in respect of their Benchmark Indices nor that the published indices will be managed in line with their described index methodologies.

#### MSCI Indices ("MSCI Indices")

The BlackRock Japan Equity 1 Fund and the BlackRock Europe Equity 1 Fund (hereinafter, the "Funds") are not sponsored, endorsed, sold or promoted by Morgan Stanley Capital International Inc. ("MSCI"), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI Index (collectively the "MSCI Parties"). The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by BlackRock or its affiliates. None of the MSCI parties makes any representation or warranty, express or implied, to the issuer or owners of this Fund/account or any other person or entity regarding the advisability of investing in Funds generally or in the Funds particularly or the ability of any MSCI Index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI Indexes which are determined, composed and calculated by MSCI without regard to the Funds or the issuer or owners of the Funds or any other person or entity into consideration in determining, composing or calculating the MSCI Indexes. None of the MSCI parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Funds to be issued or in the determination or calculation of the equation by or the consideration into which the Funds are redeemable. Further, none of the MSCI parties has any obligation or liability to the issuer or owners of the Funds or any other person or entity in connection with the administration, marketing or offering of the Funds.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI Indexes from sources that MSCI considers reliable, none of the MSCI Parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI Index or any data included therein. None of the MSCI parties make any warranty, express or implied, as to the results to be obtained by the issuer of the Funds, owners of the Funds, or any other person or entity, from the use of the MSCI Index or any data included therein. None of the MSCI parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI Index or any data included therein. Further, none of the MSCI parties makes any express or implied warranties of any kind, and the MSCI parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI Index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller, owner or holder of this security, account, product or fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security, account product or fund without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.



## APPENDIX V

### Third-Party Delegates

The following third-party delegates have been appointed by the Depository in the referenced markets as sub-custodians of the assets of the Company.

<b>Sub-Custodian</b>	<b>Market</b>
HSBC Bank Argentina S.A., Buenos Aires	Argentina
JPMorgan Chase Bank, N.A., Melbourne	Australia
UniCredit Bank Austria AG, Vienna	Austria
HSBC Bank Middle East Limited, Al Seef	Bahrain
Standard Chartered Bank, Dhaka	Bangladesh
BNP Paribas Securities Services S.C.A., Brussels	Belgium
HSBC Bank Bermuda Limited, Hamilton	Bermuda
Standard Chartered Bank Botswana Limited, Gaborone	Botswana
J.P. Morgan S.A. DTVM, Sao Paulo	Brazil
Citibank Europe plc, Sofia	Bulgaria
Canadian Imperial Bank of Commerce, Toronto Royal Bank of Canada, Toronto	Canada
Banco Santander Chile, Santiago	Chile
HSBC Bank (China) Company Limited, Shanghai* * Please refer to your Client Relationship Team for additional subcustodial options	China A-Share
HSBC Bank (China) Company Limited, Shanghai	China B-Share
JPMorgan Chase Bank, N.A., Hong Kong	China Connect
Cititrust Colombia S.A., Bogota	Colombia
Banco BCT, S.A., San Jose (Restricted)	Costa Rica
Privredna banka Zagreb d.d., Zagreb	Croatia
HSBC Bank plc, Athens	Cyprus
UniCredit Bank Czech Republic and Slovakia, a.s., Prague 1	Czech Republic
Nordea Bank AB (publ), Copenhagen	Denmark
Citibank, N.A., Cairo	Egypt
Swedbank AS, Tallinn	Estonia
Nordea Bank AB (publ), Helsinki	Finland
BNP Paribas Securities Services S.C.A., Paris	France
Deutsche Bank AG, Eschborn J.P. Morgan AG, Frankfurt* * Custodian for local German custody clients only.	Germany
Standard Chartered Bank Ghana Limited, Accra	Ghana
HSBC Bank plc, Athens	Greece
JPMorgan Chase Bank, N.A., Hong Kong	Hong Kong
Deutsche Bank AG, Budapest	Hungary
Islandsbanki hf., Reykjavik (Restricted)	Iceland
JPMorgan Chase Bank, N.A., Mumbai	India
PT Bank HSBC Indonesia, Jakarta	Indonesia
JPMorgan Chase Bank, N.A., London	Ireland
Bank Leumi le-Israel B.M., Tel Aviv	Israel
BNP Paribas Securities Services S.C.A., Milan	Italy
Mizuho Bank, Ltd., Tokyo The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo	Japan
Standard Chartered Bank, Amman	Jordan
JSC Citibank Kazakhstan, Almaty	Kazakhstan
Standard Chartered Bank Kenya Limited, Nairobi	Kenya
HSBC Bank Middle East Limited, Safat	Kuwait
Swedbank AS, Riga	Latvia

AB SEB Bankas, Vilnius	Lithuania
BNP Paribas Securities Services S.C.A., Luxembourg	Luxembourg
Standard Bank Limited, Malawi, Blantyre (Restricted)	Malawi
HSBC Bank Malaysia Berhad, Kuala Lumpur	Malaysia
The Hong Kong and Shanghai Banking Corporation Limited, Ebene	Mauritius
Banco Nacional de Mexico, S.A., Mexico City	Mexico
Société Générale Marocaine de Banques, Casablanca	Morocco
Standard Bank Namibia Limited, Windhoek	Namibia
BNP Paribas Securities Services S.C.A., Amsterdam	Netherlands
JPMorgan Chase Bank, N.A., Wellington	New Zealand
Stanbic IBTC Bank Plc, Lagos	Nigeria
Nordea Bank AB (publ), Oslo	Norway
HSBC Bank Oman S.A.O.G., Seeb	Oman
Standard Chartered Bank (Pakistan) Limited, Karachi	Pakistan
Citibank del Perú S.A., Lima	Peru
The Hong Kong and Shanghai Banking Corporation Limited, Taguig City	Philippines
Bank Handlowy w. Warszawie S.A., Warsaw	Poland
BNP Paribas Securities Services S.C.A., Lisbon	Portugal
HSBC Bank Middle East Limited, Doha	Qatar
Citibank Europe plc, Bucharest	Romania
J.P. Morgan Bank International (Limited Liability Company), Moscow	Russia
HSBC Saudi Arabia, Riyadh	Saudi Arabia
Unicredit Bank Srbija a.d., Belgrade	Serbia
DBS Bank Ltd, Singapore	Singapore
UniCredit Bank Czech Republic and Slovakia, a.s., Bratislava	Slovak Republic
UniCredit Banka Slovenija d.d., Ljubljana	Slovenia
FirstRand Bank Limited, Johannesburg	South Africa
Standard Chartered Bank Korea Limited, Seoul Kookmin Bank Co., Ltd., Seoul	South Korea
Santander Securities Services, S.A., Madrid	Spain
The Hong Kong and Shanghai Banking Corporation Limited, Colombo	Sri Lanka
Nordea Bank AB (publ), Stockholm	Sweden
UBS Switzerland AG, Zurich	Switzerland
JPMorgan Chase Bank, N.A., Taipei	Taiwan
Stanbic Bank Tanzania Limited, Dar es Salaam (Restricted)	Tanzania
Standard Chartered Bank (Thai) Public Company Limited, Bangkok	Thailand
Republic Bank Limited, Port of Spain	Trinidad and Tobago
Banque Internationale Arabe de Tunisie, S.A., Tunis	Tunisia
Citibank A.S., Istanbul	Turkey
Standard Chartered Bank Uganda Limited, Kampala	Uganda
PJSC Citibank, Kiev (Restricted)	Ukraine
HSBC Bank Middle East Limited, Dubai	United Arab Emirates - ADX
HSBC Bank Middle East Limited, Dubai	United Arab Emirates – DFM
HSBC Bank Middle East Limited, Dubai	United Arab Emirates – NASDAQ

	Dubai
JPMorgan Chase Bank, N.A., London Deutsche Bank AG Depository and Clearing Centre, London	United Kingdom
JPMorgan Chase Bank, N.A., New York	United States
Banco Itaú Uruguay S.A., Montevideo	Uruguay
Citibank, N.A., Caracas	Venezuela
HSBC Bank (Vietnam) Ltd., Ho Chi Minh City	Vietnam
Standard Chartered Bank Côte d'Ivoire SA, Abidjan (Restricted)	WAEMU - Benin, Burkina Faso, Guinea-Bissau, Ivory Coast, Mali, Niger, Senegal, Togo
Standard Chartered Bank Zambia Plc, Lusaka	Zambia
Stanbic Bank Zimbabwe Limited, Harare (Restricted)	Zimbabwe

## APPENDIX VI

### Securities Financing Transactions

#### Total Return Swaps ("TRS") and Contracts for Difference ("CFDs")

The table below specifies the maximum and expected proportion of the Net Asset Value of each Fund that can be subject to TRS and CFDs. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

Fund	TRS and CFDs: Maximum proportion of NAV	TRS and CFDs: Expected proportion of NAV
BlackRock Euro Government Bond Fund	10%	2%
BlackRock Japan Equity 1 Fund	50%	0%
BlackRock Europe Equity 1 Fund	50%	0%

Fund	TRS: Maximum proportion of NAV	TRS: Expected proportion of NAV
BlackRock Sustainable Global Allocation Tailored Fund	25%	15%

#### Repurchase and Reverse Repurchase Agreements

The table below specifies the maximum and expected proportion of the Net Asset Value of each Fund that can be subject to repurchase and reverse repurchase agreements. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

Fund	Repurchase and Reverse Repurchase Agreements: Maximum proportion of NAV	Repurchase and Reverse Repurchase Agreements: Expected proportion of NAV
BlackRock Euro Government Bond Fund	10%	1%
BlackRock Japan Equity 1 Fund	0%	0%
BlackRock Europe Equity 1 Fund	0%	0%
BlackRock Sustainable Global Allocation Tailored Fund	40%	10%

#### Securities Lending

The table below specifies the maximum and expected proportion of the Net Asset Value of each Fund that can be subject to securities lending. The demand to borrow securities is a significant driver for the amount that is actually lent from a Fund at a given time. Borrowing demand fluctuates over time and depends to a large extent on market factors that cannot be forecasted precisely. Based on historical data, lending volumes for the Funds are typically in the ranges set out below, though past levels are no

guarantee of future levels.

<b>Fund</b>	<b>Securities Lending: Maximum proportion of NAV</b>	<b>Securities Lending: Expected proportion of NAV</b>
BlackRock Euro Government Bond Fund	100%	0%-99%
BlackRock Japan Equity 1 Fund	43%	0%-39%
BlackRock Europe Equity 1 Fund	17%	0%-16%
BlackRock Sustainable Global Allocation Tailored Fund	100%	0%-24%

## APPENDIX VII

### BlackRock EMEA Baseline Screens

The Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, at the time of purchase, in the opinion of the Investment Manager, have exposure to, or ties with, certain sectors (in some cases subject to specific revenue thresholds) including but not limited to:

- (i) the production of certain types of controversial weapons;
- (ii) the distribution or production of firearms or small arms ammunition intended for retail to civilians;
- (iii) the extraction of certain types of fossil fuel and/or the generation of power from them;
- (iv) the production of tobacco products or certain activities in relation to tobacco-related products; and
- (v) issuers which have been deemed to have failed to comply with UN Global Compact Principles.

To undertake its analysis of ESG criteria, the Investment Manager may use data generated internally by the Investment Manager and/or its affiliates or provided by one or more third party ESG research providers.

Should existing holdings, compliant at the time of investment subsequently become ineligible, they will be divested within a reasonable period of time.

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

A full list of the limits and/or exclusions being applied by Investment Managers at any time (including any specific threshold criteria) is available at <https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf>

It is the Investment Manager's intention that the BlackRock EMEA Baseline Screens policy will evolve over time as improved data and more research on this subject becomes available. The full list may be amended from time to time at the Investment Manager's discretion and (unless it alters the description in this section) may be implemented without notification to Shareholders.

## APPENDIX VIII

This Appendix comprises the pre-contractual disclosure “PCD” for the Fund classified as an Article 8 product pursuant to the SFDR. The PCD is intended to ensure that all sustainability claims of the Fund are supported with information and that this is done in a way that enables investors to compare funds. The form of disclosure is mandated by the European Commission and the Manager is not permitted to amend or deviate from the template.

The PCD introduces some new terms to the Prospectus (some are described below) which should be read alongside the section of this Prospectus entitled “Investment Objectives and Policies” in respect and information available on the product pages of the BlackRock website, [www.blackrock.com](http://www.blackrock.com).

Sustainable Investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices. It is a term that is strictly defined by the SFDR and so even though an investment might, in everyday terms, be reasonably considered to be in a sustainable asset it may not qualify as a Sustainable Investment under the technical definition in the SFDR. Investors may wish to make a personal assessment of the sustainable and ESG characteristics of the Fund prior to investing.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Principal Adverse Impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. For the time being, it does not include a list of socially sustainable economic activities. Sustainable Investments with an environmental objective might be aligned with the Taxonomy or not.

The following Fund is covered in this Appendix.

Article 8 Fund:

- BlackRock Sustainable Global Allocation Tailored Fund

WF-72747901-v5

**Pre-contractual disclosure for the financial products referred to in  
Article 8 paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6, first  
paragraph, of Regulation (EU) 2020/852**

**Product name: BlackRock Sustainable Global Allocation Tailored Fund  
Legal entity identifier: 549300RJHT8LMCXVJY15**

**Environmental and/or social characteristics**

*Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.*

*The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.*



Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ____%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ____%</b>	<input checked="" type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ____%</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**What environmental and/or social characteristics are promoted by this financial product?**

The Fund invests in Sustainable Investments. BlackRock defines Sustainable Investments as investments in issuers or securities that contribute to an environmental or social objective, do not significantly harm any of those objectives and where investee companies follow good governance practices. BlackRock refers to relevant sustainability frameworks to identify the alignment of the investment to environmental or social objectives.

Sustainable Investments should also meet the do no significant harm (DNSH) requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria to assess whether an issuer or investment does significant harm.

The Investment Manager will employ a proprietary methodology to assess investments based on the extent to which they are associated with positive or negative externalities, that is environmental and social benefits or costs as defined by the Investment Manager. The Investment Manager will seek to enhance exposure to investments that are deemed to have associated positive externalities (e.g. lower carbon emitting issuers and issuers with positive ESG credentials) and seek to limit exposure to investments that are deemed to have associated negative externalities (e.g. higher carbon emitters, issuers with certain controversial business practices, and issuers with negative ESG credentials). The assessment of the level of involvement in each activity may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.

Greenhouse gas emissions are categorised into three groups or “scopes” by the most widely-used international accounting tool, the Greenhouse Gas (GHG) Protocol. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting issuer. Scope 3 includes all other indirect emissions that occur in an issuer’s value chain. The Fund seeks to have a lower greenhouse gas emissions



intensity of the portfolio relative to the Index (as defined below) , which is the estimated greenhouse gas (Scope 1 and Scope 2) emissions per \$1 million of sales revenue across the Fund’s holdings. For the avoidance of doubt, Scope 3 is not currently considered for this calculation.

The Fund applies the BlackRock EMEA Baseline Screens. This set of screens avoids exposures that have negative environmental outcomes by excluding direct investment in issuers that have material involvement in thermal coal and tar sands extraction, as well as thermal coal-based power generation. Negative social outcomes are also avoided by excluding direct investment in issuers involved in controversial weapons and nuclear weapons, and material involvement in production and distribution of civilian firearms and tobacco. This Fund also excludes issuers deemed to have failed to comply with the 10 UN Global Compact Principles, which cover human rights, labour standards, the environment, and anti-corruption.

The ESG policy reduces the investment universe of the Fund by 20%. For the purposes of measuring this reduction only, MSCI All Country World Index and Bloomberg Global Aggregate Index are used to define the investment universe and are reduced separately.

The Fund does not use a reference benchmark for the purposes of attaining the ESG characteristics that it promotes, however, MSCI All Country World Index (60%) and Bloomberg Global Aggregate Index (40%) (together, the “Index”) is used to compare certain ESG characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by this Fund include:

1. The Fund’s holdings in Sustainable Investments, as described above.
2. The Fund’s holdings in use-of-proceeds bonds, including “green bonds”, “sustainable bonds” and “social bonds” (each as defined by BlackRock’s corresponding proprietary methodology which is guided by the International Capital Markets Association Green Bond, Sustainable Bond and Social Bond Principles, respectively). The Fund’s holdings of green, sustainable and social bonds may cause the Fund to gain exposure to issuers which, in turn, have exposures that are inconsistent with the exclusions described above.
3. The Fund’s holdings in investments that are deemed to have associated positive externalities and avoidance of negative externalities as described above.
4. The Fund’s carbon emissions intensity, as described above.
5. The Fund’s consideration of principal adverse impacts (PAIs) on sustainability factors, as described below.
6. The Fund’s exclusion of holdings in issuers identified by the exclusion criteria set out in the BlackRock EMEA Baseline Screens, as described above.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund invests at least 20% of its holdings in Sustainable Investments in pursuit of its investment objective. All Sustainable Investments will be assessed by the Investment Manager to comply with BlackRock’s DNSH standard outlined above.

BlackRock invests in Sustainable Investments which contribute to a range of environmental and / or social objectives which may include but are not limited to, alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals (“Environmental and Social Objectives”).

An investment will be assessed as contributing to an Environmental and/or Social Objective where:

- a) minimum proportion of the issuer's business activity contributes to an Environmental and/or Social Objective; or
- b) the issuer's business practices contribute to an Environmental and/or Social Objective; or
- c) the use of proceeds is assessed as contributing to an Environmental and/or Social Objective such as green bonds, social bonds, and sustainability bonds; or
- d) the fixed income securities are aligned with an Environmental and/or Social Objective.

**Principal adverse impacts**

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria across all Sustainable Investments to assess whether an issuer or investment does significant harm. Investments considered to be causing significant harm do not qualify as Sustainable Investments. Further information on the above can be found by copying and pasting the following link into your web browser: <https://www.blackrock.com/corporate/literature/publication/blackrock-sfdr-sustainable-investments-methodology.pdf>

— How have the indicators for adverse impacts on sustainability factors been taken into account?

The indicators for adverse impacts on sustainability factors for each type of investment are assessed using BlackRock's Sustainable Investments proprietary methodology. BlackRock uses third-party data and/or fundamental analysis to identify investments which negatively impact sustainability factors and cause significant harm.

— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Sustainable Investments are assessed to consider any detrimental impacts and ensure compliance with international standards of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Issuers deemed to have violated these conventions are not considered as Sustainable Investments.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- Yes
- No

The Fund considers PAIs on sustainability factors through the application of the BlackRock EMEA Baseline Screens, its exclusionary policy, its carbon reduction target and its holdings in green bonds.

The Fund takes into account the following PAIs:

- GHG emissions
- GHG intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Energy consumption intensity per high impact climate sector
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, this Fund takes into account the PAIs through BlackRock's DNSH standard for Sustainable Investments. This Fund will provide information on the PAIs in its annual report.



### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund seeks to maximise total return in a manner consistent with the principles of environmental, social and governance ("ESG") focused investing.

The Fund is actively managed. In order to achieve its investment objective, the Fund will seek to invest globally in equity, debt and short term securities, of both corporate and governmental issuers. There are no prescribed limits as to the level of investment in each type of security which may fluctuate. In normal market conditions the Fund will invest at least 70% of its total assets in the securities of corporate and governmental issuers.

The Fund generally will seek to invest in securities that are, in the opinion of the Investment Manager, undervalued, having regard to top-down asset allocation factors, bottom-up security analysis as well as the ESG-related criteria referred to below.

The Fund may also invest in the equity securities of small and emerging growth companies. The Fund's debt portfolio may consist of investment grade, sub-investment grade or unrated fixed income transferable securities. The Fund may invest up to 30% of its total assets in sub-investment grade or unrated fixed income transferable securities.

The Fund uses the Investment Manager's proprietary methodology (the "Methodology") to integrate ESG-related criteria into its investment process and also applies the BlackRock EMEA Baseline Screens when selecting investments to be held directly by the Fund.

The Methodology assesses investments based on the extent to which they are associated with positive or negative externalities, that is environmental and social benefits or costs as defined by the Investment Manager. The Investment Manager will seek to enhance exposure to investments that are deemed to have associated positive externalities (e.g. lower carbon emitting issuers and issuers with positive ESG credentials) and seek to limit exposure to investments that are deemed to have associated negative externalities (e.g. higher carbon emitters, issuers with certain controversial business practices, and issuers with negative ESG credentials). The assessment of the level of involvement in each activity may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.

The remaining issuers (i.e. those issuers which have not yet been excluded from investment by the Fund) are then evaluated by the Investment Manager based on, among other factors, their ability to manage the risks and opportunities associated with ESG compliant business practices and their ESG risk and opportunity credentials, such as their leadership and governance framework, which is considered essential for sustainable growth, their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on an issuer's financials.

After applying exclusionary policies, the Investment Advisor evaluates the risks and opportunities of the remaining issuers, combining ESG principles with top-down macro asset allocation and bottom-up security analysis.

The Fund seeks to invest a portion of its assets in Sustainable Investments. At least 90% of the issuers of securities the Fund invests in will be ESG rated or have been analysed for ESG purposes. To undertake this analysis, the Investment Manager may use data provided by external ESG providers, proprietary models and local intelligence and may undertake site visits.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy are as follows:

1. Maintain that the Fund holds at least 20% in Sustainable Investments.
2. Enhancing exposure to investments that are deemed to have associated positive externalities compared to the Fund's benchmark while limiting investments that are deemed to have associated negative externalities.
3. Apply the BlackRock EMEA Baseline Screens.
4. Reduce the investable universe of the Fund by at least 20%.
5. Maintain that the Fund's carbon emissions intensity score is lower than the Index.
6. Ensure that more than 90% of the issuers of securities in which the Fund invests (excluding money market funds) shall be ESG rated or have been analysed for ESG purposes.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The ESG policy (as described above) reduces the investment universe of the Fund by at least 20%.

- ***What is the policy to assess good governance practices of the investee companies?***

BlackRock assesses good governance practices of the investee companies by combining proprietary insights and shareholder engagement by the Investment Manager, with data from external ESG research providers. BlackRock uses data from external ESG research providers to initially identify issuers which may not have satisfactory governance practices in relation to key performance indicators (KPIs) related to sound management structure, employee relations, remuneration of staff and tax compliance.

Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where the Investment Manager agrees with this external assessment, the Investment Manager is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on the Investment Manager's direct engagement with the issuer. The Investment Manager may also decide to reduce exposure to such issuers.

**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

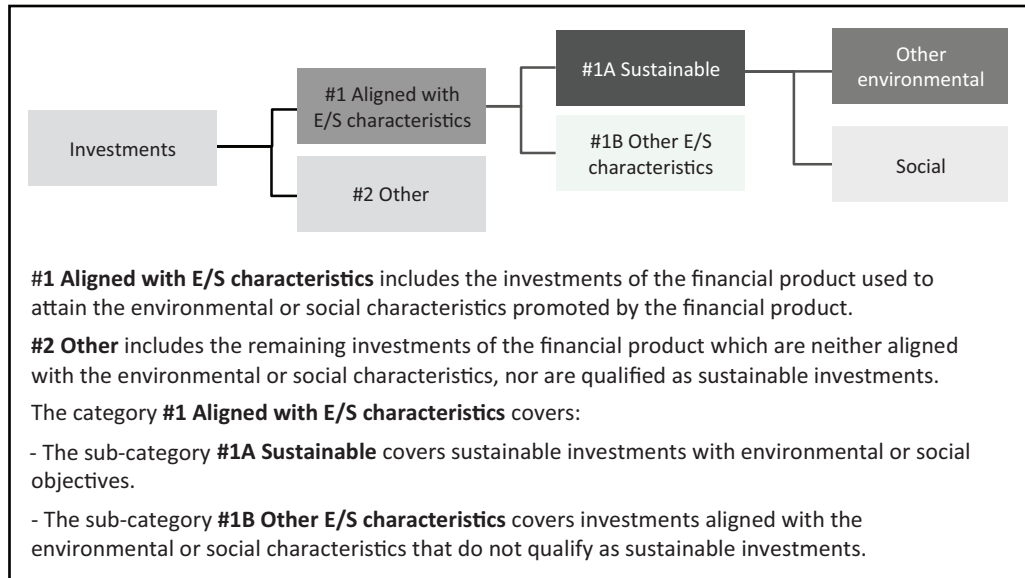
**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

A minimum of 70% of the Fund's total assets will be invested in investments that are aligned with the environmental and/or social characteristics described above (**#1 Aligned with E/S characteristics**). Of these investments, a minimum of 20% of the Fund's total assets will be invested in Sustainable Investments (**#1A Sustainable**), and the remainder will be invested in investments aligned with other environmental and/or social characteristics described above (**#1B Other E/S characteristics**).

The Fund may invest up to 30% of its total assets in other investments (**#2 Other investments**).



### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management. For derivatives, any ESG rating or analyses referenced above will apply only to the underlying investment.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

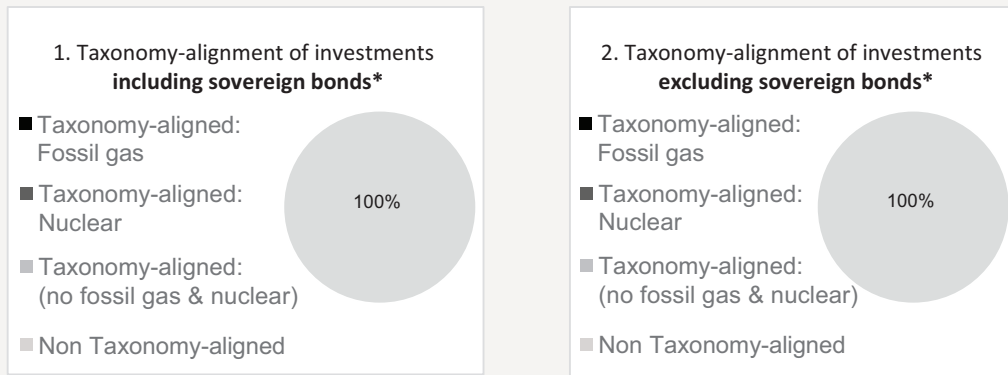
The Fund does not currently commit to investing more than 0% of its assets in Sustainable Investments with an environmental objective aligned with the EU Taxonomy, however, these investments may form part of the portfolio.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes  
 No
  In fossil gas     In nuclear energy

The Fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy, however, these investments may form part of the portfolio.

*The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What is the minimum share of investments in transitional and enabling activities?**

The Fund does not commit to making investments in transitional and enabling activities, however, these investments may form part of the portfolio.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

A minimum of 20% of the Fund's total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.

The Fund invests in Sustainable Investments that are not aligned with the EU Taxonomy for the following reasons: (i) it is part of the investment strategy of the Fund; (ii) data to determine EU Taxonomy-alignment may be unavailable; and / or (iii) underlying economic activities may not be eligible under the EU Taxonomy's available technical screening criteria or may not comply with all requirements set out in such technical screening criteria.



**What is the minimum share of socially sustainable investments?**

A minimum of 20% of the Fund's total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

Other holdings are limited to 30% and may include derivatives, cash and near cash instruments and shares or units of CIS and fixed income transferable securities (also known as debt securities) issued by governments and agencies worldwide.

These investments may be used for investment purposes in pursuit of the Fund's (non ESG) investment objective, for the purposes of liquidity management and/or hedging.

No other holdings are considered against minimum environmental or social safeguards.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No.

Please note that the MSCI All Country World Index (60%) and Bloomberg Global Aggregate Index (40%) is used to compare certain ESG characteristics promoted by the Fund.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the designated index differ from a relevant broad market index?**

Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

Please refer to the website page for the Fund, which can be found by typing the name of the Fund into the search bar on the BlackRock website: [www.blackrock.com](http://www.blackrock.com). Further information on the criteria for Sustainable Investments can be found by copying and pasting the following link into your web browser: <https://www.blackrock.com/corporate/literature/publication/blackrock-sfdr-sustainable-investments-methodology.pdf>. Further information on the criteria for BlackRock EMEA Baseline Screens can be found by copying and pasting the following link into your web browser: <https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf>