# BLACKROCK INDEX SELECTION FUND SUPPLEMENT

19 December 2023

**BlackRock Asset Management Ireland Limited**

- BlackRock Market Advantage Strategy Fund

**If you are in any doubt about the contents of this Supplement, you should consult your professional advisers.**

The Directors of the Manager of the Fund, whose names appear under the heading “Management and Administration” in the Prospectus dated 19 December 2023 (the “Prospectus”), accept responsibility for the information contained in the Prospectus and in this Supplement. 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.

# BLACKROCK MARKET ADVANTAGE STRATEGY FUND

*(a Sub-Fund of BlackRock Index Selection Fund)*

## SUPPLEMENT

**This Supplement contains information relating to the BlackRock Market Advantage Strategy Fund (the “Sub-Fund”) which is a separate sub-fund of BlackRock Index Selection Fund (the “Fund”). This Supplement forms part of and should be read in conjunction with the general description of the Fund contained in the Prospectus.**

This Supplement replaces the Supplement dated 20 April 2023.

The date of this Supplement is 19 December 2023.

## INDEX

## DEFINITIONS

***"Accumulating Classes",*** the Class A GBP Acc Units, the Class A EUR Acc Units, the Class A JPY Acc Units, the Class A USD Acc Units, the Class B GBP Acc Units, the Class B EUR Acc Units, the Class C GBP Acc Units, the Class C EUR Acc Units, the Class C USD Acc Units, the Class E GBP Acc Units, the Class E EUR Acc Units, the Class E USD Acc Units of the Sub-Fund or such other Class or Classes as the Manager may from time to time designate.

***"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.

***"Business Day",*** a day on which the relevant markets are open for business in Ireland, England and New York or such other day or days as the Manager may from time to time determine.

***"Class" or "Classes",*** Class A, Class B, Class C and Class E Units of the Sub-Fund each of which may be issued as either Accumulating or Distributing Classes in various Class Currencies or such other class or Classes as the Manager may from time to time designate.

**"*Class A*",** the Class A GBP Acc Units, the Class A EUR Acc Units, the Class A JPY Acc Units, the Class A USD Acc Units, the Class A GBP Dis Units, the Class A EUR Dis Units, the Class A JPY Dis Units, the Class A USD Dis Units and in respect of which Unitholders must enter into a Client Agreement.

***"Class B",*** the Class B GBP Acc Units, the Class B EUR Acc Units, the Class B GBP Dis Units, the Class B EUR Dis Units.

***"Class C",*** the Class C GBP Acc Units, the Class C EUR Acc Units, the Class C USD Acc Units, the Class C GBP Dis Units, the Class C EUR Dis Units, the Class C USD Dis Units.

***"Class Currency",*** the currency in which the non-Euro denominated Classes of the Sub-Fund are denominated, being Sterling in respect of the Class A GBP Acc Units, the Class A GBP Dis Units, the Class B GBP Acc Units, the Class B GBP Dis Units, the Class C GBP Acc Units, the Class C GBP Dis Units, the Class E GBP Acc Units and the Class E GBP Dis Units, Japanese Yen in respect of the Class A JPY Acc Units and the Class A JPY Dis Units, US Dollars in respect of the Class A USD Acc Units, the Class A USD Dis Units, the Class C USD Acc Units, the Class C USD Dis Units, the Class E USD Acc Units and the Class E USD Dis Units.

***"Class E",*** the Class E GBP Acc Units, the Class E EUR Acc Units, the Class E USD Acc Units, the Class E GBP Dis Units, the Class E EUR Dis Units and the Class E USD Dis Units.

***"Dealing Day",*** each Business Day unless otherwise determined by the Manager.

***"Distributing Classes",*** the Class A GBP Dis Units, the Class A EUR Dis Units, the Class A JPY Dis Units, the Class A USD Dis Units, the Class B GBP Dis Units, the Class B EUR Dis Units, the Class C GBP Dis Units, the Class C EUR Dis Units, the Class C USD Dis Units, the Class E GBP Dis Units, the Class E EUR Dis Units and the Class E USD Dis Units of the Sub-Fund or such other Class or Classes as the Manager may from time to time designate.

*"**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 Sub-Fund. Investors should refer to the investment policy of the relevant Sub-Fund and the section entitled "ESG Integration",

including the website referred to in the section entitled "ESG Integration", for more detailed information.

***"EUR", "Euro" or "€",*** the lawful currency of the European Union.

"***EURIBOR***", European Interbank Offer Rate.

***"Fund",*** BlackRock Index Selection Fund.

**"*Hedged Unit Classes*",** the Class A GBP Acc Units, the Class A GBP Dis Units, the Class A JPY Acc Units, the Class A JPY Dis Units, the Class A USD Acc Units, the Class A USD Dis Units, the Class B GBP Acc Units, the Class B GBP Dis Units, the Class C GBP Acc Units, the Class C GBP Dis Units, the Class C USD Acc Units, the Class C USD Dis Units, the Class E GBP Acc Units, the Class E GBP Dis Units, the Class E USD Acc Units and the Class E USD Dis Units.

***"Initial Offer Period",*** the period set by the Manager in relation to any Class of the Sub-Fund as the period during which Units are initially on offer. Specific details of the Initial Offer Period for the Sub-Fund's Classes are set out under the heading "Initial Offer".

***"Initial Offer Price"**,* the price set by the Manager in relation to any Class at which Units are offered during the Initial Offer Period. Specific details of the Initial Offer Price for the Sub-Fund's Classes are set out under the heading "Initial Offer".

"***Qualified Holder***", has the meaning set out in the Prospectus, amended at (i) to refer to a person, corporation or entity which acquires Units in Class A of the Sub-Fund without first entering into a Client Agreement.

***"Sub-Fund",*** BlackRock Market Advantage Strategy Fund.

***"Valuation Point",*** in respect of the Sub-Fund, the close of business on the relevant markets or such other time on each Dealing Day as may be determined by the Manager, provided that if any of the relevant markets are not open on a Dealing Day, the value of the relevant investments on the previous Dealing Day shall be used, using the same timing criteria.

## BLACKROCK INDEX SELECTION FUND

## INTRODUCTION

This Supplement contains information relating to BlackRock Market Advantage Strategy Fund which is a Sub-Fund of the Fund.

The Fund is organised as an open-ended unit trust and authorised by the Central Bank as a UCITS pursuant to the provisions of the UCITS Regulations. The Fund is structured as an umbrella unit trust in that different Sub-Funds thereof may be established with the prior approval of the Central Bank. In addition, each Sub-Fund may have more than one Class allocated to it.

**This Supplement forms part of and should be read in conjunction with the general description of the Fund contained in the current Prospectus, together with the most recent audited annual report and accounts and if published after such report, a copy of the latest unaudited semi-annual report.**

As at the date of this Supplement, the Sub-Fund has the Class A GBP Acc Units, the Class A GBP Dis Units, the Class A EUR Acc Units, the Class A EUR Dis Units, the Class A JPY Acc Units, the Class A JPY Dis Units, the Class A USD Acc Units, the Class A USD Dis Units, the Class B GBP Acc Units, the Class B GBP Dis Units, the Class B EUR Acc Units, the Class B EUR Dis Units, the Class C GBP Acc Units, the Class C GBP Dis Units, the Class C EUR Acc Units, the Class C EUR Dis Units, the Class C USD Acc Units, the Class C USD Dis Units, the Class E GBP Acc Units, the Class E GBP Dis Units, the Class E EUR Acc Units, the Class E EUR Dis Units, the Class E USD Acc Units and the Class E USD Dis Units. Additional Classes may be added to the Sub-Fund in accordance with the requirements of the Central Bank.

Each of the Hedged Unit Classes will be hedged into the currency in which the relevant Hedged Unit Class is denominated from the base currency of the Sub-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 Sub-Funds. ESG information and sustainability risks are included as a consideration in investment research and portfolio construction, portfolio review and investment stewardship processes.

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

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 Sub-Fund's investments. The Investment Manager assesses a variety of economic and financial indicators, which may include ESG data and insights, to make investment decisions appropriate for the Sub-Fund's 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 Sub-Fund's risk and return objectives. Assessment of these risks is done relative to their materiality (i.e. likeliness of impacting returns of the investment) and in tandem with other risk assessments (e.g. liquidity, valuation, etc.).

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

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

## INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Sub-Fund is to seek to provide a total return, taking into account both capital and income returns over the long term. This objective will be effected through strategic exposure to multiple asset classes which, through diversification, is expected to generate growth with comparatively lower risk than exposure to worldwide equities alone.

In order to achieve this investment objective, the investment policy of the Sub-Fund is to gain exposure to equities, fixed-income securities, property companies and commodities globally. In order to gain this exposure, the Sub-Fund will invest in financial derivative instruments ("FDIs"), collective investment schemes, equity securities, and fixed income securities including fixed and floating government and corporate bonds and medium term notes. The Sub-Fund may also invest in deposits, cash and money market instruments. The Sub-Fund's investments may include below investment grade securities. The average credit rating of the securities will be at least bbb- from S&P or an equivalent rating. The Sub-Fund's listed investments will normally be listed or traded on the Regulated Markets set out in Appendix I to the Prospectus.

In seeking to achieve the investment objective, the allocation of investment exposure of the Sub-Fund between asset classes may, in certain market conditions, be varied in order to manage risk more effectively.

The Sub-Fund may also, subject to the conditions set out in Appendix III of the Prospectus, invest up to 100% of its Net Asset Value in UCITS or other collective investment schemes, including money market funds and/or exchange traded funds domiciled in Ireland, which may be managed by the Investment Manager or an Affiliate, and/or sub-funds of the Fund. The Sub-Fund may invest more than 20% of its Net Asset Value in emerging markets and some of these investments will be made through investments in other collective investment schemes.

The Sub-Fund will not invest in UCITS or other collective investment schemes in respect of which the maximum level of management fee which may be charged exceeds 2% of the net asset value per annum of such UCITS or other collective investment schemes. The annual report of the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the collective investment schemes in which it invests for the period covered by such report.

The Sub-Fund may also engage in transactions in FDIs including, but not limited to, futures, options, swaps, and currency forwards for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Appendix II of the Prospectus (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I to the Prospectus. These FDIs will be used to hedge risk and/or cost, to take active risk positions or to enhance returns with an appropriate level of risk, taking into account the risk profile of the Fund as described in the Prospectus and the general provisions of the UCITS Regulations.

The Sub-Fund's exposure to commodities will be achieved by investing in FDIs and collective investment schemes with exposure to commodities (including, but not limited to, exchange traded funds based on commodities indices). Where the Sub-Fund gains exposure to commodities through FDIs the underlying may consist of the Dow Jones-UBS Commodity Index or such other commodities index as may be approved in advance by the Central Bank.

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

The base currency of the Sub-Fund is Euro.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

## RISK MANAGEMENT AND LEVERAGE

The Manager employs a risk management process ("RMP") in respect of the Sub-Fund which enables it to accurately measure, monitor and manage the global exposure from FDIs ("global exposure") which the Sub-Fund gains. Only FDIs provided for in the RMP will be utilised. The Fund will, on request, provide supplemental information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment. The Sub-Fund's global exposure will be calculated using the Absolute VaR measure. Further detail on the Absolute VaR measure is set out in Appendix II of the Prospectus.

The Sub-Fund's level of investment exposure can exceed its Net Asset Value due to the use of FDIs or borrowing (borrowing is only permitted in limited circumstances as set out in Appendix III and not for investment purposes). The UCITS Regulations require that the Supplement includes information relating to the expected levels of leverage in the Sub-Fund where VaR is being used to measure global exposure, this information is set out below. 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.

In implementing its investment policies, the Sub-Fund is generally expected to be leveraged at around 550% of its Net Asset Value.

## INVESTMENT AND BORROWING RESTRICTIONS

The Fund is a UCITS and accordingly the Sub-Fund is subject to the investment and borrowing restrictions set out in the UCITS Regulations and the Notices. These are set out in detail in Appendix III of the Prospectus.

## CURRENCY HEDGING POLICY

To the extent permitted by the Prospectus, the Investment Manager may employ techniques and instruments, including FDIs, intended to provide protection so far as possible against movements of the currency in which the Hedged Unit Classes are denominated against movements in the base currency of the Sub-Fund. All hedging transactions as well as costs and gains/losses of such hedging transactions are borne separately by the respective Hedged Unit Classes. The Hedged Unit Classes will not be leveraged as a result of such exposure. Although the Investment Manager intends to utilise such currency hedging transactions in respect of the Hedged Unit Classes of the Sub-Fund, it shall not be obliged to do so. The Investment Manager and 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. To the extent that the Investment Manager deems it appropriate, up to 105% of each Hedged Unit Class' currency exposure may be hedged against the exposure to the base currency of the Sub-Fund. The Investment Manager or its delegates will limit hedging to the extent of the relevant Hedged Unit Class' currency exposure and shall monitor such hedging on at least a monthly basis to ensure that such hedging shall not exceed 105% of the Net Asset Value of the relevant Hedged Unit Class or fall short of 95% of the portion of the Net Asset Value of the relevant Hedged Unit Class which is to be hedged against currency risk and to review any under-hedged positions, or over-hedged positions materially in excess of 100%, to ensure that they are not carried forward from month to month. In the event that the hedging in respect of a Hedged Unit Class exceeds 105% due to market movements or redemptions of Units, the Investment Manager shall reduce such hedging appropriately as soon as possible thereafter. The use of such hedging strategies may substantially limit Unitholders in the relevant Hedged Unit Class from benefiting if the Hedged Unit Class falls against the relevant currency in which the assets of the Sub-Fund are denominated.

## DISTRIBUTION POLICY

### Accumulating Classes

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

### Distributing Classes

The Manager intends to declare distributions on the Units of the Distributing Classes in respect of each financial year, out of the net revenue of the Distributing Classes (i.e. all interest dividends and other income less the Distributing Classes accrued expenses) for that financial year. For the avoidance of doubt, other income may include, but is not limited to any deemed income on the disposal and/or valuation of investments, including FDIs. For example, where the Sub-Fund invests in FDIs which do not produce direct income streams, the payment received or accrued by the Sub-Fund from the FDI reflects both the capital appreciation / depreciation as well as the income on the underlying assets of that FDI. Such payment is (on the basis of calculations performed by the Administrator) then attributed to capital growth and income (i.e. deemed income). Such distributions of deemed income may be taxable as income, depending on the local tax legislation applicable to the Unitholder. Unitholders in the Distributing Classes should note that where income is distributed, this may reduce the potential for capital growth within the Distributing Classes.

Distributions will normally be declared quarterly in May, August, November and February and/or such other times as the Manager deems appropriate.

Distributions will usually be paid five Business Days after they have been declared and/or such other times as the Manager deems appropriate.

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

Distributions payable to Unitholders of the Distributing Classes will automatically be paid out to investors in cash by telegraphic transfer to the bank account detailed on the Account Opening Form.

**Income Equalisation**

For tax and accounting purposes, the Manager may implement income equalisation arrangements with a view to ensuring that the level of income derived from Investments is not affected by the issue, conversion or redemption of Units during the relevant accounting period.

## MANAGEMENT AND ADMINISTRATION

The Directors of the Manager, BlackRock Asset Management Ireland Limited, are Rosemary Quinlan, Justin Mealy, Adele Spillane, Barry O'Dwyer, Patrick Boylan, Catherine Woods, Enda McMahon and Michael Hodson. Full details relating to the Directors are set out in the Prospectus.

The Manager has delegated the performance of the investment management functions in respect of the Fund to BlackRock Advisors (UK) Limited.

The Administrator, Registrar and Transfer Agent of the Fund is J.P. Morgan Administration Services (Ireland) Limited.

The Trustee of the Fund is J.P. Morgan SE – Dublin Branch.

## RISK FACTORS

Potential investors should consider the risk factors set out in the Prospectus and the additional risk factors set out below before investing in the Sub-Fund.

1. A prospective investor should be aware that Investments are subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of Investments will occur or that the investment objectives of the Sub-Fund will actually 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 the Sub-Fund.

2. The Sub-Fund may use FDIs including, but not limited to, futures, forwards, options, swaps, swaptions and warrants, subject to the limits and conditions set out in Appendix II. Such FDIs tend to have a greater volatility than the securities to which they relate and they bear a corresponding greater degree of risk.

3. The Sub-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 Sub-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 Sub-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, the Sub-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 the Sub-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 Sub-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 Sub-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 Sub-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 the Sub-Fund's credit exposure to its counterparty under a FDI is not fully collateralised but the Sub-Fund will continue to observe the limits set out in Appendix III. The use of FDIs may also expose the Sub-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.

4. The Investment Manager may employ techniques and instruments, including FDIs, intended to provide protection so far as possible against movements of the currency in which the Hedged Unit Classes are denominated against movements in the base currency of the Sub-Fund. All costs and gains/losses of such hedging transactions are borne separately by the respective Unit Classes. It should be noted that the hedging strategy employed by the Sub-Fund will not completely eliminate the exposure of Hedged Unit Classes to currency movements. This may be for a number of reasons including, without limitation, (i) hedging transactions may be effected some time after subscription proceeds are credited to the Sub-Fund, (ii) hedging transactions may be effected by reference to a benchmark selected by the Sub-Fund and not by reference to the actual currency composition of the Sub-Fund, and (iii) 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 hedging instruments can result in a strategy that is unlikely to result in a perfect hedge of currency exposures at all times. While the Sub-Fund may attempt to hedge this risk in relation to Hedged Unit Classes, the Investment Manager is not obliged to undertake such currency hedging and there can be no guarantee that it will be successful in doing so. The use of hedging strategies may substantially limit Unitholders in the relevant Hedged Unit Classes from benefiting if the currency of denomination of the Hedged Unit Classes falls against the base currency of the Sub-Fund and/or the currency in which some or all of the assets of the Sub-Fund are denominated.

5. The Sub-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 Sub-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 Sub-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 Sub-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.

6. Emerging market regions are subject to special risks associated with investment in an emerging 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; 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 the Sub-Fund to sub-custodial risk in circumstances whereby the Trustee will have no liability; the risk of expropriation of assets and the risk of war

7. Below investment grade securities generally offer a higher yield than is offered by higher rated securities. In addition, below investment grade securities also (i) will likely have some quality and protective characteristics that, in the judgment of the rating organisations, are outweighed by large uncertainties or major risk exposures to adverse conditions and (ii) are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality bonds. In addition, medium and lower rated securities generally present a higher degree of credit risk. The risk of loss due to default by these issuers is significantly greater because medium and lower rated securities generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In light of these risks, the Investment Manager in evaluating the creditworthiness of an issue will take various factors into consideration, which may include, as applicable, the issuer's financial resources, its sensitivity to economic conditions and trends, the operating history of and the community support for the facility financed by the issue, the ability of the issuer's management and regulatory matters. In addition, the market value of securities in lower rated categories is more volatile than that of higher quality securities and the markets in which medium and lower rated securities are traded are more limited than those in which higher rated securities are traded. The existence of limited markets may make it more difficult for a fund to obtain accurate market quotations for purposes of valuing its portfolio and calculating its Net Asset Value. Moreover, the lack of a liquid trading market may restrict the availability of securities for the Sub-Fund to purchase and may also have the effect of limiting the ability of the Sub-Fund to sell securities at their fair value, either to meet redemption requests or to respond to changes in the economy or the financial markets. Lower rated debt obligations also present risks based on payment expectations.

   If an issuer calls the obligation for redemption, the Sub-Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. Also, as the principal value of bonds moves inversely with movements in interest rates, in the event of rising interest rates, the value of the securities held by the Sub-Fund may decline proportionately more than a portfolio consisting of higher rated securities. If the Sub-Fund experiences unexpected net redemption, it may be forced to sell its higher rated bonds, resulting in a decline in the overall credit quality of the securities held by the Sub-Fund and increasing the exposure of the Sub-Fund to the risks of lower rated securities.

## INITIAL OFFER

### Initial Offer for Unit Classes

Details in relation to the Initial Offer Period and the Initial Offer Price in respect of the Classes of the Sub-Fund are set out in the Initial Dealing Timetable in the Appendix to this Supplement, unless such period is shortened or extended by the Manager and any extensions shall be notified to the Central Bank.

## General

Applications for Units during the Initial Offer Period must be received (together with cleared funds and supporting anti-money laundering documents) during the Initial Offer Period. All applicants applying for Units during the Initial Offer Period must complete (or arrange to have completed under conditions approved by the Manager) the Account Opening Form and Dealing Form prescribed by the Manager in relation to the relevant Class of the Sub-Fund.

# SUBSCRIPTIONS

## Application Procedure

Account Opening Forms

All applicants applying for the first time for Units must complete (or arrange to have completed under conditions approved by the Manager) the Account Opening Form and Dealing Form prescribed by the Manager in relation to the relevant Class of the Sub-Fund. Unitholders applying for further Units must complete the Dealing Form. Unitholders can also apply for further Units by telephone. Account Opening Forms and Dealing Forms may be obtained from the Manager. Account Opening and Dealing Forms shall (save as determined by the Manager) be irrevocable and may be sent by facsimile at the risk of the applicant. The original of the Account Opening Form (and supporting documentation in relation to money laundering prevention checks) should be sent to arrive promptly and within three Business Days after the time for receipt of such application.

Failure to provide the original Account Opening Form by such time may, at the discretion of the Manager, result in the compulsory redemption of the relevant Units. However, applicants will be unable to redeem Units on request until the original Account Opening Form has been received and anti-money laundering procedures have been completed. Any amendments to the registration details on an Account Opening Form must be effected by an original written instruction.

Subscriptions may also be effected by such other means as the Manager, with the consent of the Administrator, may prescribe from time to time when such means are in accordance with the requirements of the Central Bank.

If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred in any such return) as soon as possible by electronic transfer (but without interest, costs or compensation).

No Units of any Sub-Fund will be issued or allotted during a period when the determination of Net Asset Value of that Sub-Fund is suspended.

Fractions

Subscription monies representing less than the subscription price for a Unit will not be returned to the applicant. Fractions of Units will be issued where any part of the subscription monies for Units represents less than the subscription price for one Unit, provided however that fractions shall not be less than such number of decimal points of a Unit as the Manager may determine from time to time. Subscription monies, representing less than the relevant fraction of a Unit will not be returned to the applicant but will be retained by the Sub-Fund in order to defray administration costs.

Subscriptions

Applications for subscription must be received by the Manager by 10.00 am (Irish time) on the relevant Dealing Day. Any applications received after the relevant time for receipt will normally be held over until the next Dealing Day but may be accepted for dealing on the Dealing Day (at the discretion of the Manager) provided they are received prior to the Valuation Point.

Closure of Class B

With effect from 17 December 2012 Class B Unit Classes are closed to new investors. Unitholders already invested in the Class B Unit Classes may continue to invest in Class B Units. Should a Unitholder invested in the Class B Unit Classes redeem all of its Class B Units, any subsequent subscriptions into the Class B Classes by that Unitholder may be rejected by the Manager.

The Manager does not intend to accept any subscriptions into the Class B Unit Classes from investors who are not already Unitholders in Class B Classes as at 17 December 2012. If, for any reason (such as, an administrative oversight), a subscription request for Class B Units from a new investor is processed after this date, the Manager reserves the right to redeem the investor's holding, or, upon prior consultation with the investor, to switch that investor into a more appropriate Class in the Fund (as determined by the Manager).

**Minimum Subscriptions/Holdings**

Minimum Initial Subscriptions

The minimum initial subscription amount for Units in Class A, Class B and Class E must be €1,000,000 or Class Currency equivalent (or less at the discretion of the Manager).

The minimum initial subscription amount for Units in Class C must be €100,000 or Class Currency equivalent (or less at the discretion of the Manager).

Subsequent Subscriptions

Any subsequent subscriptions in any Class must be a minimum of €100,000 or Class Currency equivalent (or less at the discretion of the Manager).

Minimum Holdings

Any Unitholder who redeems or otherwise disposes of part of his holding must maintain a holding in Class A, Class B and Class E of not less than €1,000,000 or Class Currency equivalent (or less at the discretion of the Manager) and in Class C a holding of not less than €100,000 or Class Currency equivalent (or less at the discretion of the Manager).

**Payment of Subscription Monies**

Method of Payment

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Manager. No interest will be paid in respect of payments received in circumstances where the application is held until a subsequent Dealing Day.

Currency of Payment

Subscription monies are payable in Euro or relevant Class Currency. Subscriptions may be accepted in a currency other than Euro or relevant Class Currency (see section headed "Currency of Payment and Foreign Exchange Transactions" in the Prospectus).

Timing of Payment

Payment of subscriptions in respect of the Sub-Fund must be received in cleared Funds for value on or before the third Business Day after the relevant Dealing Day.

If payment in cleared Funds in respect of a subscription has not been received by the relevant time, the Manager may (and in the event of non-clearance of Funds, shall) cancel the allotment and/or charge the applicant interest at the 7 day Sterling Overnight Index Average (SONIA), plus 2%, which fee is payable to the Manager. The Manager may waive either such charge in whole or in part. In addition, the Manager will have the right to sell all or part of the applicant's holding of Units in the Sub-Fund or any other Sub-Fund in order to meet those charges.

## REDEMPTIONS

### Procedure

General

Every Unitholder will have the right to require the Manager to redeem his Units on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Manager a redemption request.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Units calculated at the Valuation Point on the relevant Dealing Day.

Dealing Form

All applicants seeking to redeem Units must complete (or arrange to have completed under conditions approved by the Manager) a Dealing Form which may be obtained from the Manager. Redemption requests may also be made by telephone.

Dealing Forms must be received by the Manager by 10.00am (Irish time) on the relevant Dealing Day.

If the Dealing Form is received after the relevant time for receipt thereof, it shall (unless otherwise determined by the Manager) be treated as a request for redemption on the Dealing Day following such receipt and Units will be redeemed at the Redemption Price for that day. Units will be redeemed at the Redemption Price calculated at the Valuation Point on the relevant Dealing Day.

Redemption requests will only be accepted where cleared Funds and completed documents are in place from original subscriptions including the original Account Opening Form and anti-money laundering procedures have been completed.

Dealing Forms shall (save as determined by the Manager) be irrevocable and may be sent by facsimile at the risk of the relevant Unitholder.

Redemptions may also be effected by such other means as the Manager, with the consent of the Administrator, may prescribe from time to time where such means are in accordance with the requirements of the Central Bank.

Fractions

Apart from circumstances in which a Unitholder is redeeming his entire holding of Units in the Sub-Fund:

(a) fractions of Units will be issued where any part of the redemption monies for Units represents less than the Redemption Price for one Unit, provided however that fractions shall not be less than such number of decimal points of a Unit as the Manager may determine from time to time; and

(b) redemption monies, representing less than the relevant fraction of a Unit will not be returned to a Unitholder but will be retained by the Manager in order to defray administration costs.

Method of Payment

Redemption payments will be made to the bank account detailed on the Account Opening Form or as subsequently notified to the Manager in writing.

Currency of Payment

Unitholders will normally be repaid in Euro. Redemptions may be paid, at the request of a Unitholder, in a currency other than Euro (see section headed "Currency of Payment and Foreign Exchange Transaction" in the Prospectus).

Timing

Redemption proceeds in respect of Units in the Sub-Fund will be paid on the third Business Day after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Manager.

In the case of a partial redemption of a Unitholder's holding, the Manager will advise the Unitholder of the remaining Units held by him.

Minimum Redemptions

The minimum amount of Units in any Class which may be redeemed by a Unitholder in any one redemption is (subject to the Manager's discretion) Units having an aggregate redemption value of €100,000 (or Class Currency equivalent). The remaining balance of Units in any Class must (subject to the Manager's discretion) have a minimum aggregate Net Asset Value at the time of the relevant redemption of €1,000,000 (or Class Currency equivalent) in respect of Class A, Class B and Class E and €100,000 (or Class Currency equivalent) in respect of Class C.

## TRANSFER OF UNITS

Units are (save as hereinafter specified) freely transferable and may be transferred in writing in a form approved by the Manager or by such other means as the Manager, with the consent of the Administrator, may prescribe from time to time where such means are in accordance with the requirements of the Central Bank. No transfer may be made in respect of Class A Units unless the proposed transferee has a current Client Agreement with the Investment Manager or an Affiliate and has also completed an Account Opening Form and provided such other information (e.g. as to identity) as the Manager may reasonably require. The Manager may decline to register any transfer of a Unit where it appears that such transfer would be likely to result in the legal or beneficial ownership of such Units by a person who is not a Qualified Holder or expose the Fund to adverse tax or regulatory consequences.

## SWITCHING

Unitholders of Class B, Class C and Class E of the Sub-Fund may switch, free of charge, to any other Classes of the Sub-Fund, except for Class B which is closed to new investors from the date of this Supplement, as the Directors of the Manager may permit. Unitholders of Class A of the Sub-Fund may switch, free of charge, into any other Class A Unit Class but may not switch to any other Class of Units in the Sub-Fund. A Unitholder that wishes to switch into another Class must meet the investment criteria for that Class. Unitholders may not switch to any other

Classes of Units in any other sub-fund of the Fund.

## FEES AND EXPENSES

### General

The fees and expenses relating to the establishment of the Sub-Fund (not to exceed €30,000) will be borne by the Sub-Fund and its relevant Classes and will be amortised over the first five financial years of the Sub-Fund commencing six months after the date of the first issue of Units in the Sub-Fund.

The Manager will usually add to or deduct from the Net Asset Value of the relevant Class, as appropriate, an amount representing Duties and Charges relating to the purchase or sale of underlying investments (as set out in the Prospectus).

The aggregate fees and expenses of the Manager, Administrator and Trustee will not exceed 0.15% per annum of the Net Asset Value of the Sub-Fund.

There will be no subscription or redemption fees charged.

### Investment Management Fee

### Class B, Class C and Class E

Investment management fees and expenses will be charged to the assets of the Sub-Fund referable to Class B, Class C and Class E and any reference in the Prospectus to such fees being charged outside the Sub-Fund shall not apply to these Classes of the Sub-Fund.

The Investment Manager is entitled to charge an investment management fee of up to 0.30% per annum of the Net Asset Value of Class B, an investment management fee of up to 0.40% per annum of the Net Asset Value of Class E and an investment management fee of up to 0.80% per annum of the Net Asset Value of Class C. The Investment Manager may also be responsible for discharging from its investment management fee certain costs and expenses relating to the distribution of the Class C Units. This fee shall accrue on a daily basis and be payable monthly in arrears. The Investment Manager is entitled to increase such fees up to a maximum of 2% per annum of the Net Asset Value of the respective classes. Unitholders will be notified in writing in advance of any proposed increase of such fees up to such maximum.

### Class A

There will be no investment management fees/expenses charged to the assets of Class A. Unitholders will be subject to a fee with regard to their investment in the Sub-Fund based on the Client Agreement between themselves and the Investment Manager or an Affiliate.

Details of the other fees and expenses relating to the Fund and the Sub-Fund are set out in the Prospectus.

### Investment in Other Collective Investment Schemes

As the Sub-Fund may invest in other collective investment schemes, in addition to the fees, costs and expenses payable by an investor in the Sub-Fund, each investor may also indirectly bear a portion of the fees, costs and expenses of the underlying portfolio funds, along with other investors of the underlying schemes, including management, investment management and, administration and other expenses. Investment in other collective investment schemes will be monitored to ensure that the fees, costs and expenses payable by the Sub-Fund as a result of investment in underlying portfolio funds managed by Affiliates, will not exceed 0.15% per annum of the Net

Asset Value of the Sub-Fund (which limit may be increased provided Unitholders will be notified in writing of any increase).

## TAXATION

***The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Units under the laws of the jurisdictions in which they may be subject to tax.***

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

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

The availability and value of any tax reliefs available to investors depends on the individual circumstances of investors. The information in the "Taxation" section in the Prospectus 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 Sub-Fund.

The Manager may, at its discretion, seek the following status for the Distributing Classes:

- UK Reporting Fund Status

Investors should consult their tax advisors in relation to the implications of the Classes obtaining such status.

Holdings in the Fund are likely to constitute interests in offshore funds, as defined for the purposes of the United Kingdom Finance Act 2008, with each class of the Fund treated as a separate ‘offshore fund’ for these purposes.

The Offshore Funds (Tax) Regulations 2009 provide that if an investor resident or ordinarily resident in the United Kingdom for taxation purposes holds an interest in an offshore fund and that offshore fund is a ‘non-reporting fund’, any gain accruing to that investor upon the sale or other disposal of that interest will be charged to United Kingdom tax as income rather than a capital gain. Alternatively, where an investor resident or ordinarily resident in the United Kingdom holds an interest in an offshore fund that has been a ‘reporting fund’ for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to United Kingdom income tax or corporation tax on income.

It should be noted that a ‘disposal’ for United Kingdom taxation purposes includes a switching between Sub-Funds and may include a switching between Unit Classes of Funds.

### Accumulating Classes

The Accumulating Classes will not seek certification as “Reporting Classes” and accordingly any gain arising on a disposal of Units (for example, by way of transfer or redemption) will normally constitute income for all purposes of United Kingdom taxation. Any dividends received by investors resident in the United Kingdom will also be treated as income for the purposes of United Kingdom taxation.

### Distributing Unit Classes

In addition to the United Kingdom taxation considerations detailed in the Prospectus, the following taxation considerations apply specifically to the Distributing Classes of the Sub-Fund.

It is the intention of the Directors that the Distributing Classes will apply for certification as “Reporting Funds”. In broad terms, a ‘reporting fund’ is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its Unitholders. The Manager intends to manage the affairs of the Distributing Classes so that these upfront and annual duties are met and continue to be met on an ongoing basis for each Class within the Sub-Fund that intends to seek United Kingdom reporting fund status. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for United Kingdom tax purposes) on a per-Unit basis to all relevant Unitholders.

Once reporting fund status is obtained from HM Revenue & Customs for the relevant Unit Classes it will remain in place permanently, provided the annual requirements are undertaken.

## GENERAL

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

## ADDITIONAL INFORMATION FOR INVESTORS IN THE UNITED KINGDOM

### General

The Sub-Fund is currently recognised in the United Kingdom under section 264 of FSMA 2000 and Units in the Sub-Fund may be offered or sold to investors in the United Kingdom.

### UK Facilities Agent

The Sub-Fund is required in accordance with the FSMA 2000 and the Financial Conduct Authority’s Collective Investment Scheme Sourcebook to maintain at an address in the UK certain facilities in the interests of investors in the Sub-Fund in the UK. The Fund has appointed the Investment Manager as the UK facilities agent (the “UK Facilities Agent”).

UK investors can contact the UK Facilities Agent at BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL to obtain details regarding the prices of units, to redeem or arrange for the redemption of Units, to obtain payment and to make a complaint.

## APPENDIX

## INITIAL DEALING TIMETABLE

**This table below sets out the Initial Offer Period of each Unit Class. Potential investors should, however, contact the Administrator to confirm which initial periods remain open before subscribing for any Units.**

* "BD" means Business Day and "DD" means Dealing Day.
\+ DD + 3BD indicates settlement will/must occur by the third BD following the DD.
□ Units in this Class are available to existing Unitholders of Class B Units only.

Earlier or later times may be determined by the Manager or the Investment Manager at their discretion and notified to the Central Bank.

| Unit Class | Initial Offer Period | Initial Offer Price | Subscription Settlement Time*+ |
|---|---|---|---|
| Class A EUR Dis Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | €10 | DD + 3BD |
| Class A JPY Acc Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | ¥10 | DD + 3BD |
| Class A JPY Dis Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | ¥10 | DD + 3BD |
| Class A USD Dis Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | US$10 | DD + 3BD |
| Class B EUR Dis Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | €10 | DD + 3BD |
| Class C GBP Acc Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | £10 | DD + 3BD |
| Class C GBP Dis Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | £10 | DD + 3BD |
| Class C EUR Acc Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | €10 | DD + 3BD |
| Class C EUR Dis Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | €10 | DD + 3BD |
| Class C USD Acc Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | US$10 | DD + 3BD |
| Class C USD Dis Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | US$10 | DD + 3BD |
| Class E EUR Dis Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | €10 | DD + 3BD |
| Class E USD Acc Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | US$10 | DD + 3BD |
| Class E USD Dis Units | Ending at 5.00 pm (Irish time) on 19 June 2024 | US$10 | DD + 3BD |