



# **BLACKROCK INVESTMENT FUNDS PROSPECTUS 21 May 2024**

- BLACKROCK DYNAMIC RETURN STRATEGY FUND\*
- BLACKROCK SYSTEMATIC GLOBAL LONG / SHORT EQUITY FUND\*
- BLACKROCK SUSTAINABLE STERLING STRATEGIC BOND FUND
- BLACKROCK ESG STRATEGIC GROWTH FUND
- MYMAP 3 FUND
- MYMAP 3 SELECT ESG FUND
- MYMAP 4 FUND
- MYMAP 4 SELECT INCOME FUND
- MYMAP 5 FUND
- MYMAP 5 SELECT ESG FUND
- MYMAP 6 FUND
- MYMAP 7 SELECT ESG FUND
- BLACKROCK SYSTEMATIC MULTI ALLOCATION CREDIT FUND
- BLACKROCK SUSTAINABLE STERLING SHORT DURATION CREDIT FUND
- BLACKROCK LIFEPAATH RETIREMENT FUND
- BLACKROCK LIFEPAATH TARGET DATE FUND 2030
- BLACKROCK LIFEPAATH TARGET DATE FUND 2035
- BLACKROCK LIFEPAATH TARGET DATE FUND 2040
- BLACKROCK LIFEPAATH TARGET DATE FUND 2045
- BLACKROCK LIFEPAATH TARGET DATE FUND 2050
- BLACKROCK LIFEPAATH TARGET DATE FUND 2055
- BLACKROCK LIFEPAATH TARGET DATE FUND 2060
- BLACKROCK LIFEPAATH TARGET DATE FUND 2065
- BLACKROCK GLOBAL SMALLER COMPANIES FUND

\*This Fund is no longer available and is in the process of being terminated

<b>Contents</b>	<b>Page</b>
1. BlackRock Investment Funds (the “Trust”)	4
2. Distribution	4
3. Glossary	5
4. The Manager	7
5. The Trustee	8
6. The Investment Manager	10
7. The Principal Distributor	10
8. The Stock Lending Agent	11
9. The Registrar	11
10. The Administrator	11
11. The Auditor	11
12. Purchase and Redemption of Units	11
13. Valuation	16
14. Pricing of Units and Historic Performance Data	17
15. Policy on Pricing	17
16. Minimum Investment and Minimum Holding	17
17. Dilution Adjustment	19
18. Commission and Rebates	19
19. Manager’s Box	19
20. Publication of Prices and Yields	19
21. Classes of Units	20
22. Evidence of Title	20
23. Investment Objective and Policy / Investment Restrictions	20
24. Risk Considerations	21
25. Taxation	35
26. Equalisation	37
27. Charges	37
28. Conflicts of Interest	40
29. Changes to the Funds and Meetings of Unitholders	42

30.	Winding Up	43
31.	Allocation of Income	43
32.	Additional Information	43
33.	Risk Management Process	45
34.	The Securities Financing Transaction Regulation	45
35.	The Benchmark Regulation	46
	APPENDIX 1: Details of each of the Funds	49
	APPENDIX 2: BlackRock Fund Managers Limited - Other Regulated Collective Investment Schemes	117
	APPENDIX 3: Investment Restrictions applicable to the Funds	121
	APPENDIX 4: Valuation and Pricing	130
	APPENDIX 5- List of Safekeeping Delegates	135
	APPENDIX 6- List of Funds and Oversight Risk Categorisation	140
	APPENDIX 7- Securities Financing Transaction Regulation Disclosures	140
	SCHEDULE 1: Eligible Securities Markets	142
	SCHEDULE 2: Eligible Derivative Markets	144

**IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

## **1. BlackRock Investment Funds (the “Trust”)**

This document is the prospectus of the Trust. The FCA’s Product Reference Number (“PRN”) for the Trust is 664232. The Trust is an authorised unit trust scheme which is organised as an umbrella comprising separate funds with segregated liability detailed in Appendix 1 from time to time (each referred to herein as a “Fund” and collectively the “Funds”), valid as at the date specified on the cover of this document. Each Fund shall have a segregated portfolio of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Trust and any other Fund and shall not be available for any other purpose. The Funds are subject to the rules of the FCA as set out in the COLL Sourcebook. This prospectus complies with the requirements of COLL 4.2 of the COLL Sourcebook. Key investor information documents for each unit class in each of the Funds referred to in this prospectus, including historic performance data, are available from the Manager.

The UK left the EU on 31 January 2020. However, under the terms of the Withdrawal Agreement concluded between the UK and the EU, a transition period was agreed during which most EU law continued to apply to the UK. This transition period came to an end at 11:00pm (UK time) on 31 December 2020. In this Prospectus the time and date at which the transition period ended is referred to as the “Transition End Date”.

On and after the Transition End Date, the EUWA, in general terms, preserves law which was previously (i.e. before the Transition End Date) directly applicable EU law and EU-derived domestic law in order to ensure the proper functioning of the UK legal regime. This preserved law is subject to amendments to address deficiencies that derived from the UK’s exit from the EU. These amendments are set out principally in secondary legislation and rules made by the FCA and include (without limiting the generality of the foregoing) the amendments made by the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019.

Following the Transition End Date, the Trust continues to be an authorised investment scheme that may be marketed to all investor types (including retail investors) in the UK. Whilst the Trust is no longer a “UCITS” for the purposes of EU law it is categorised by the FCA as a “UK UCITS” for the purposes of its rules and requirements. Since the Trust is no longer an “EEA UCITS” this means that, for EU law purposes, the Trust is regarded as a non-EEA Alternative Investment Fund (AIF) managed by a non-EEA Alternative Investment Fund Manager (AIFM).

Subject to the above, each Fund will be charged with the liabilities and expenses attributable to that Fund and within the Fund charges will be allocated between classes of units in accordance with the terms of issue of units of those classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the Trustee in consultation with the Manager in a manner

which it believes is fair to unitholders generally within the same umbrella. This will normally be pro rata to the net asset value of the relevant Funds.

## **2. Distribution**

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of units other than those contained in the prospectus and, if given or made, such information or representations must not be relied on as having been made by the Manager. The delivery of this prospectus (whether or not accompanied by any reports) or the issue of units shall not, under any circumstances, create any implication that the affairs of any Fund have not changed since the date hereof.

Authorised intermediaries which offer, recommend or sell units in the Funds must comply with all laws, regulations and regulatory requirements 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 UK’s Product Governance regime including, without limitation, target market information.

This prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not lawful or in which the person making such an offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such a solicitation. It is the responsibility of any persons in possession of this prospectus and any persons wishing to apply for units in the Funds to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective investors should inform themselves as to the legal requirements of applying for units and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, domicile or incorporation.

US Persons are not permitted to subscribe for units in the Funds. The units in the Funds have not and will not be registered under the United States Securities Act 1933, the United States Investment Company Act 1940, or the securities laws of any of any of the States of the United States of America and may not be directly or indirectly offered or sold in the United States of America or for the account or benefit of any US Person, except pursuant to an exemption from or in a transaction not subject to the registration requirements of the United States Securities Act 1933, United States Investment Company Act 1940 and similar requirements of such state securities law.

The units in the Funds have not been, nor will they be, qualified for distribution to the public in Canada as no prospectus for the Funds 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 units in Canada. No Canadian resident may purchase or accept a transfer of units in the Funds unless he is eligible to do so under applicable Canadian or provincial laws.

### 3. Glossary

Approved Bank	<p>in relation to a bank account opened on behalf of a Fund:</p> <p>(a) if the account is opened at a branch in the United Kingdom: (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank (as defined in the glossary of definitions in the FCA Handbook); or (iv) a building society (as defined in the glossary of definitions in the FCA Handbook); or (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or</p> <p>(b) if the account is opened elsewhere: (i) a bank in (a); or (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or</p> <p>(c) a bank supervised by the South African Reserve Bank; or</p> <p>(d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator.</p>	CCP	<p>a legal person that interposes itself between the counterparties to the contracts traded on one or more financial markets, becoming the buyer to every seller and the seller to every buyer, as defined in article 2(1) of EMIR.</p>
Associated Fund	<p>A UK UCITS and/or other collective investment scheme that is managed by the Manager or by an associate (as defined by the FCA).</p>	COLL Sourcebook	<p>The collective investment schemes sourcebook which forms part of the FCA Handbook, as amended from time to time. References to rules or guidance in the COLL Sourcebook are prefaced by "COLL".</p>
Auditor	<p>Ernst &amp; Young LLP, the auditors of the Funds.</p>	Dual-Priced Funds	<p>Refers to the Funds designated as dual-priced funds in Appendix 1 of this Prospectus.</p>
Benchmark Regulation	<p>Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as such regulation forms part of the domestic law of the UK.</p>	EEA	<p>the European Economic Area.</p>
BlackRock Group	<p>The BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc..</p>	EEA State	<p>an EU member state and any other state which is within the EEA, as defined in the FCA Handbook.</p>
Business Day	<p>A day which is not a Saturday or Sunday or any other day recognised in England and Wales as a public holiday or any other day on which banks or the London Stock Exchange are not open for business in the UK. In addition, where a Fund invests outside the UK, the Manager may also take into account whether relevant local exchanges are open, and may elect to treat such closures as non-business days. A list of such days treated as non-business days for certain Funds</p>	EEA UCITS	<p>a collective investment scheme established in accordance with the UCITS Directive in an EEA State.</p>
		Eligible Institution	<p>one of certain eligible institutions (being a CRD credit institution authorised by its Home State regulator or a MiFID investment firm authorised by the FCA or an EEA MiFID investment firm authorised by its Home State regulator) as defined in the glossary of definitions in the FCA Handbook.</p>
		EMIR	<p>Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and all delegated and implementing regulations made thereunder, as such regulations form part of the domestic law of the UK.</p>
		ESG	<p>refers to "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</p>

	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 any specific Fund. Investors should refer to the investment policy of a Fund, including any website referred to in such investment policy, for more detailed information.		regulation as they form part of the domestic law of the UK.
		NAV	The net asset value of a Fund determined in accordance with the Trust Deed and Appendix 4.
		normal business hours	The hours between 8.30 am and 5.30 pm on any Business Day.
		OECD	Organisation for Economic Co-operation and Development.
EU	the European Union, being the Union established by the Treaty on European Union signed at Maastricht on 7 February 1992 (as amended), taking into account the UK’s withdrawal from the Union pursuant to article 50 of the Treaty.	PRC	People’s Republic of China
		Principal Distributor	BlackRock Investment Management (UK) Limited.
		QFII	Qualified Foreign Institutional Investor
EUWA	the European Union (Withdrawal) Act 2018.	Reference Comparator	Has the meaning given in the ESG policy of each Fund (where applicable) or, in respect of each LifePath Fund has the meaning given in section 35(c).
FCA	The Financial Conduct Authority or any other relevant successor regulatory body from time to time.	Register	The register of unitholders for each of the Funds.
FCA Handbook	The FCA’s handbook of rules and guidance, as amended from time to time.	Registrar	BlackRock Fund Managers Limited or such other entity to whom it has delegated the registrar functions in respect of a Fund.
Fund	A sub-fund of the Trust, as set out in Appendix 1, and “Funds” shall mean any two or more of such sub-funds.	RQFII	Renminbi Qualified Foreign Institutional Investor.
Home State	A home state, as defined in the glossary of definitions in the FCA Handbook.	SAFE	China’s State Administration of Foreign Exchange
Investment Manager	BlackRock Investment Management (UK) Limited.	Safekeeping Function	The function of safekeeping the assets of the Funds, which includes (a) holding in custody all financial instruments that may be registered in a financial instrument account opened in the Trustee’s books and all financial instruments that can be physically delivered to the Trustee; and (b) for other assets, verifying the ownership of such assets and the maintenance of a record accordingly.
LifePath Fund	Refers to each of the following Funds: BlackRock LifePath Retirement Fund, BlackRock LifePath Target Date Fund 2030, BlackRock LifePath Target Date Fund 2035, BlackRock LifePath Target Date Fund 2040, BlackRock LifePath Target Date Fund 2045, BlackRock LifePath Target Date Fund 2050, BlackRock LifePath Target Date Fund 2055, BlackRock LifePath Target Date Fund 2060, and BlackRock LifePath Target Date Fund 2065.	SDRT	Stamp duty reserve tax.
		SEHK	The Stock Exchange of Hong Kong.
		Single-Priced Funds	Refers to the Funds designated as single-priced funds in Appendix 1 of this Prospectus.
Manager	BlackRock Fund Managers Limited.	SONIA	Sterling Overnight Index Average
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, delegated and implementing EU regulations made thereunder, and the EU’s Markets in Financial Instruments Regulation (600/2014) and such directive, delegated and implementing EU regulations made thereunder and	SFTR	Regulation (EU) 2015/2365 of the European Parliament and of the Council on Transparency of Securities Financing Transactions and of Reuse and on Reporting, as such regulation forms part of the domestic law of the UK.



Stock Connect	The Shanghai-Hong Kong Stock Connect		schemes; or (ii) Directive 2009/65/EC (as referred to in (i) of this definition), as amended (including any delegated and implementing directives or regulations made thereunder), as, and to the extent that, such Directive and delegated directives or regulations are implemented and retained in UK law, regulation and applicable FCA rules (including, for the avoidance of doubt, the COLL Sourcebook).
Stock Connect Funds	The Funds that may invest in China A Shares via the Stock Connect, as listed in the section entitled Risk Considerations- Fund specific risk factors.		
Trust	The BlackRock Investment Funds unit trust.		
Trust Deed	The instrument constituting the Trust, as amended or restated from time to time (including any supplements).		
Trustee	The Bank of New York Mellon (International) Limited, which has been appointed as depositary of the Funds within the meaning of the UCITS Directive.	UN Global Compact Principles	These principles are widely accepted corporate sustainability principles that meet fundamental responsibilities in areas such as anti-corruption, human rights, labour and the environments. The UN Global Compact means the voluntary global initiative, with membership based on CEO commitments, to implement these principles and support the United Nations' goals.
UCITS	An undertaking for collective investment in transferable securities which is either a UK UCITS or an EEA UCITS, as the context requires.		
UK	United Kingdom.		
UK UCITS	has the meaning given to it as more fully described in the FCA Handbook, being (in accordance with sections 236A and 237 of the Financial Services and Markets Act 2000) a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA.		
UCITS Directive	As the context so requires, either: (i) Directive No. 2009/65/EC of the Council and of the European Parliament of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to UCITS, as amended (including any delegated and implementing directives or regulations made thereunder), which applies to EEA UCITS		

#### 4. The Manager

BlackRock Fund Managers Limited acts as manager of the Funds and also of other authorised collective investment schemes listed in Appendix 2 for which separate prospectuses, simplified prospectuses and key investor information documents (in the case of UK UCITS schemes) are available.

The Manager (Registered Company No. 1102517) is a limited company incorporated in England and Wales on 20 March 1973 under the Companies Acts 1948 to 1967 for an unlimited duration. It is a subsidiary of BlackRock, Inc. and forms part of the BlackRock Group. The Manager is authorised and regulated by the FCA with permission to carry on the activity of 'managing a UK UCITS'. The Manager may delegate discretionary investment management services and administrative and registrar services to third parties. Further details of the services currently delegated are set out in sections 6, 7, 9 and 10.

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. It does not encourage risk-taking which is inconsistent with the COLL Sourcebook or Trust Deeds and do not impair compliance with the Manager's duty to act in the best interest of unitholders. 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 Manager.

The Remuneration Policy is available on the individual Fund pages at [www.blackrock.co.uk](http://www.blackrock.co.uk) (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 Manager's registered office is 12 Throgmorton Avenue, London, EC2N 2DL.

The issued and paid-up share capital of the Manager £18,100,000 divided into ordinary shares of £1 each.

The directors of BlackRock Fund Managers Limited, as at the date of this prospectus, are named below:

G D Bamping

W I Cullen

D Edgar

T S Hale

A M Lawrence

H Mepham

S L Sabin

M T Zemek

G D Bamping, W I Cullen and M T Zemek are non-executive directors. G D Bamping and A M Lawrence are directors on the boards of other companies within the BlackRock Group. None of the directors' main business activities (which are not connected with the business of the Manager or any of its associates) is of significance to the Funds' business.

## 5. The Trustee

The Trustee of the Funds is The Bank of New York Mellon (International) Limited, a private company limited by shares incorporated in England and Wales on 9 August 1996. The Trustee's ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States of America. The registered and head office of the Trustee is 160 Queen Victoria Street, London, EC4V 4LA.

The principal business activity of the Trustee is the provision of custodial, banking and related financial services. The Trustee is authorised by the Prudential Regulation Authority and dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Bank of New York Mellon (International) Limited is the trustee of the Funds and, for the avoidance of doubt, acts as the global custodian to the Funds.

The Trustee acts as depositary for the purposes of the UCITS Directive.

The Trustee's services, which include safekeeping the property of the Funds, must be performed in accordance with the Trust Deed and the provisions of the COLL Sourcebook.

The Manager is required to enter into a written contract with the depositary to evidence its appointment. The Trustee was appointed as depositary under an agreement entered into between BlackRock Fund Managers Limited and BNY Mellon Trust & Depositary (UK) Limited dated 13 October 2016 as amended from time to time and as novated in favour of the Trustee with effect from 18 June 2018 (the "Depositary Agreement"). The Funds will pay trustee and

custody fees to the Trustee as set out in section 27 of this Prospectus.

### The Duties of the Trustee

The Trustee is responsible for the safekeeping of the scheme property, monitoring the cash flows of the Funds, and must ensure that certain processes carried out by the Manager are performed in accordance with the UCITS Directive, the Trust Deeds and the Prospectus.

In this capacity, the Trustee'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 unitholders upon the subscription of units of the Funds have been received;

(ii) safekeeping the assets of the Funds, which includes (a) holding in custody all financial instruments that may be registered in a financial instrument account opened in the Trustee's books and all financial instruments that can be physically delivered to the Trustee; and (b) for other assets, verifying the ownership of such assets and maintaining a record accordingly (the "Safekeeping Function");

(iii) ensuring that the sale, issue, re-purchase, redemption and cancellation of units of each Fund are carried out in accordance with applicable national law and the Trust Deed;

(iv) ensuring that the value of the units of each Fund is calculated in accordance with the applicable national law and the Trust Deed;

(v) carrying out the instructions of the Manager, unless they conflict with the applicable national law or the Trust Deed;

(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 applicable national law and the Trust Deed.

The Trustee will ensure that the assets of the Funds held in custody by the Trustee shall not be reused by the Trustee 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 the Funds held in custody are only allowed where:

(a) the reuse is permitted under COLL 5.4; and

(b) the Trustee is carrying out the instructions of the Manager acting on behalf of the Funds.

### Conflicts of Interest

From time to time conflicts may arise between the Trustee and its delegate, for example, where an appointed delegate is an affiliated group company (as is the case) 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.

The Trustee or any affiliated group company may have an interest, relationship or arrangement that is in conflict with



or otherwise material in relation to the services it provides to the Manager and the Funds. Conflicts of interest may also arise between the Trustee's different clients.

As a global financial services provider, one of the Trustee's fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, the Trustee is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients.

The Trustee is required to and does maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

The Trustee maintains an EMEA Conflicts of Interest Policy (the "Conflicts Policy"). The Conflicts Policy (in conjunction with associated policies):

- (a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;
- (b) specifies the procedures or measures which should be followed or adopted by the Depositary in order to prevent or manage and report those conflicts of interest;
- (c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- (d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Trustee;
- (e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- (f) specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and
- (g) sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

The Conflicts Policy clarifies that disclosure of conflicts of interest to clients is a measure of last resort to be used by the Trustee to address its regulatory obligations only where the organisational and administrative arrangements established by the relevant firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

The Trustee must assess and periodically review the Conflicts Policy at least once per annum and take all appropriate measures to address any deficiencies.

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

"Link" means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

"Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

The following conflicts of interest arises between the Trustee, the Funds and the Manager:

A Group Link because the Manager has delegated certain administrative functions to an entity within the same corporate group as the Trustee.

The Trustee shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link(s) and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Trustee and the Manager will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Funds and its unitholders.

To the extent that a Link exists between the Trustee and any unitholders in the Funds, the Trustee shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that its functions comply with the UCITS Directive as applicable.

The following conflict of interest arises as a result of the delegation arrangements relating to safekeeping outlined above:

A Group Link where the Trustee (or any delegate of the Trustee) has delegated the safekeeping of the scheme property to an entity within the same corporate group as the Trustee.

The Trustee shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Links and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Trustee will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Funds and unitholders.

The Trustee may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

#### Delegation of Safekeeping Functions

The Trustee acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation).

The Trustee has delegated safekeeping of the assets of the Funds to The Bank of New York Mellon SA/NV and/or the Bank of New York Mellon (the “Global Sub-Custodians”). The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Funds may invest to various sub-delegates (“Sub-Custodians”).

The Trustee is liable to the Funds for the loss of financial instruments of the Funds which are held in custody as part of the Trustee’s Safekeeping Function (irrespective of whether or not the Trustee has delegated its Safekeeping Function in respect of such financial instruments). This standard of liability applies only to financial instruments capable of being registered in a financial instruments account opened in the Trustee’s books or which can be physically delivered to the Trustee. The Trustee shall not be liable for such loss of financial instruments held in custody if it can prove that the loss 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. The Trustee shall also be liable to the Funds for all other losses suffered by the Funds as a result of the Trustee’s negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

A list of Sub-Custodians is given in Appendix 5. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of Sub-Custodians is updated only at each Prospectus review. As at the date of this Prospectus this list is correct, however, for the current list at any given time, please refer to the website [www.blackrock.com/uk/individual/education/library](http://www.blackrock.com/uk/individual/education/library) at

Up-to-date information regarding the Trustee, its duties, conflicts of interest that may arise, safekeeping functions delegated by it, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Investors on request.

## 6. The Investment Manager

BlackRock Investment Management (UK) Limited acts as investment manager of the Funds. The registered office of the Investment Manager is 12 Throgmorton Avenue, London, EC2N 2DL. It is authorised and regulated by the FCA. The Investment Manager’s principal activity is providing collective portfolio management services.

The Investment Manager has been granted the authority to manage and make purchases and sales of investments for the appropriate Funds on the Manager’s behalf and as the Manager’s agent, within the investment policies of the Funds. The Investment Manager has discretion to buy, sell, retain, exchange or otherwise deal in investments, subscribe for new issues, and accept placings, underwritings or sub-underwritings for the relevant Funds. The Investment Manager may sub-delegate all or part of its functions to associates and shall give the Manager written notice of any such sub-delegation to investment advisers which involves the exercise of its discretionary investment management powers.

The Investment Manager (or an associate to which a function has been delegated) reports to the board of the Manager on the performance of each Fund.

The Investment Manager sub-delegates certain investment management activities in respect of BlackRock Systematic Multi Allocation Credit Fund to BlackRock Financial Management, Inc. (the “Investment Adviser”), which is regulated by the Securities and Exchange Commission.

The Investment Adviser has discretion under its agreement with the Investment Manager to buy, sell, retain, exchange or otherwise deal in investments, subscribe for new issues, and accept placings underwritings or sub-underwritings for the relevant Fund.

The Manager, the Investment Manager, the Investment Adviser and the Principal Distributor are members of the BlackRock Group and are associates. Their ultimate holding company is BlackRock, Inc., a US public company.

The Manager may terminate its investment management agreement with the Investment Manager upon notice with immediate effect. The Investment Manager may terminate its investment management agreement on giving three months’ notice to the Manager.

The Investment Manager’s fees (and the fees of the Investment Adviser) for acting as the investment manager of the Funds are paid by the Manager.

## 7. The Principal Distributor

BlackRock Investment Management (UK) Limited is the Principal Distributor of the Funds. It is regulated by the FCA. The Principal Distributor was incorporated with limited liability in England and Wales on 16th May 1986 for an unlimited period.

The registered office of the Principal Distributor is at 12 Throgmorton Avenue, London EC2N 2DL.

The Principal Distributor has authority to distribute the Funds directly, and also to appoint other distributors of the Funds, provided any such distribution is carried out in accordance with applicable law in the jurisdiction where such distribution is undertaken. The Principal Distributor may enter into retrocession arrangements with third party distributors.

The Principal Distributor is authorised by the Manager and entitled at its sole discretion, subject to FCA rules, and without recourse or cost to the Funds, to rebate all of or part of the Manager’s charges by way of initial or renewal commission or rebate of the annual management charge, to authorised intermediaries or to third party distributors or agents in respect of any subscriptions for, or holdings of, units for any investors, as further described in section 13 of this Prospectus. Payment of rebates is subject to the Manager receiving its fees and charges from the Funds. The Manager may also discount preliminary charges to directors and employees of the Principal Distributor and its affiliates.

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

The directors of BCI are: Edward A. Bellew, Grant Collins, Duncan McSparran and Mark Wanless.

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

## 8. The Stock Lending Agent

BlackRock Advisors (UK) Limited, having its registered office at 12 Throgmorton Avenue, London, EC2N 2DL will act as stock lending agent. BlackRock Advisors (UK) Limited may sub-delegate performance of its stock lending agency services to other BlackRock Group companies or third parties.

BlackRock Advisors (UK) Limited has the discretion to arrange stock loans with counterparties which may include associates within the BlackRock Group.

Any income generated from stock lending shall be allocated between the relevant Fund and the stock lending agent. The stock lending agent's fee is currently 37.5% of the total income generated from stock lending. The remaining income, at least 62.5%, will be reinvested into the relevant Funds. Any costs and expenses associated with stock lending will be met by the stock lending agent out of this fee.

## 9. The Registrar

The Manager is the person responsible for maintaining the Register under the terms of the Trust Deed. The Manager has delegated its registrar functions and certain administration services to The Bank of New York Mellon (International) Limited.

The Register for each of the Funds may be inspected at the registered office of the Manager by or on behalf of the unitholders, on any Business Day during normal business hours.

The Register is conclusive evidence of the title to units except in the case of any default in payment or transfer to a Fund of cash or other property due and the Trustee and the Manager are not obliged to take notice of any trust or equity or other interest affecting the title to any of the units.

## 10. The Administrator

BlackRock Group Limited has appointed Bank of New York Mellon (International) Limited to provide certain fund accounting and fund administration functions in respect of the Funds.

## 11. The Auditor

The auditor of the Funds is Ernst & Young LLP whose address is 1 More London Place, London, SE1 2AF.

## 12. Purchase and Redemption of Units

### (a) Purchase of units

Units are available as set out in Appendix 1. Subject to the policy on pricing (see section 15) and the relevant Unitholder successfully opening an account, units in any Fund may normally<sup>1</sup> be purchased during normal business hours either in writing, by telephoning the Investor Services Team on Freephone 0800 445522 or (when available) by such forms of electronic communication as may be approved by the Manager. Written instructions should be addressed to the Manager and sent by post to the Registrar using the following address:

BlackRock, PO Box 545, Darlington, DL1 9TQ.

Any written instructions sent directly to the Manager will be forwarded to the Registrar as soon as reasonably practicable. Instructions will be processed at the next valuation point following receipt by the Registrar.

It is currently not possible to purchase units over the telephone using a debit card or to set up direct debit mandates by telephone, however, this may be made available to investors in the future. To confirm whether this is available at the time of purchase please contact the Investor Services Team, on Freephone 0800 445522. When units are purchased over the telephone, calls may be recorded by the Manager. When placing an order for the purchase of units, the Manager will request that an application form be completed and returned to the Manager.

The Manager reserves the right to reject, on reasonable grounds, any application for units in whole or in part. Failure to return a fully completed application form may result in a delay in the Manager processing any subsequent redemption request or may result in the Manager withholding redemption proceeds. Any such redemption monies will be held by the Manager in accordance with FCA rules on client money with a third party bank. No interest will be paid to investors during the period the monies are treated as client money.

All requests for purchase of units must be received by the dealing cut off time for the Funds as set out in Appendix 1, otherwise they will be held over to the next following valuation point. Purchase orders made by telephone or (when available) by electronic communication and received outside of normal business hours will be effected as soon as possible on the next Business Day. Please note that monies received on a Business Day when there is not a valuation point will not be invested in the relevant Fund until the next valuation point. Any such monies will be held by the Manager in accordance with the FCA rules on client money with a third party bank. No interest will be paid to investors during the period the monies are treated as client money.

A contract note will be sent to the applicant on the next Business Day after the valuation point applicable to the deal. The contract note will show the price of the relevant units (per unit and the total cost), shown to at least four significant figures. If an investor has not already paid, they must ensure that the Manager receives payment by close of business on the third Business Day after the valuation point

<sup>1</sup> In certain circumstances, for example, in the unlikely event of operational systems failure, or in exceptional market conditions, dealing in the Funds may not be possible at the times stated.

applicable to the deal. The Manager may however, subject to notifying the relevant investor prior to accepting a purchase request, require earlier payment. If timely settlement is not made, as required by the Manager, the Investment Manager may (at its sole discretion) enter into a credit agreement with the investor to facilitate the timely settlement of the transaction. In accordance with applicable law, such credit agreement shall be classified as an exempt agreement under the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001. Where the Investment Manager decides to enter into such a credit agreement, the investor will receive title to the units, subject to a lien in favour of the Investment Manager to the full value of the outstanding settlement amount of the units, plus any costs, or resultant profits or losses, incurred by the Investment Manager, the Manager, or the Funds arising as a result of a delay in timely settlement by the investor, including but not limited to any costs associated with liquidating the units and any shortfall between the lien and the value of the units at the time of redemption. Dividend distributions and redemption proceeds may be withheld by the Manager, for the account of the Investment Manager, until such a time as the account is settled. There may also be a delay in processing redemption requests until such a time as the account is settled. No interest will be paid to investors on dividend distributions or redemption proceeds so withheld. If the investor does not repay the amounts owed within a time period specified by the Investment Manager, the Manager will have complete discretion, for the account of the Investment Manager, to redeem the units as repayment for the amounts owed. Any amounts still owing to the Investment Manager will be classified as an unpaid debt, and the appropriate debt recovery process will be initiated to recover this debt. Subject to applicable laws and regulations, the Investment Manager reserves the right, at its absolute discretion, to unilaterally cancel the credit agreement for any reason, at any time, without notice.

No certificates are issued for units in the Funds.

In accordance with the COLL Sourcebook the Manager reserves the right to refuse to issue units in certain circumstances, in particular where it has reasonable grounds to refuse the sale.

Unitholders must meet the investment criteria for any unit class in which they intend to invest (such as minimum initial investment and, for Class S units, Class PL units, Class SI units, Class X units and Class Z units, having an agreement with the Manager, the Principal Distributor or one of their affiliates in relation to the holding of Class S units, Class PL units, Class SI units, Class X units and/or Class Z units). If a purchase request is processed for units in a class in which a unitholder does not meet the investment criteria then the Manager reserves the right to switch the investor into a more appropriate class in the Fund (where available) or redeem the unitholder's units. In such a scenario the Manager is not obliged to give the unitholder prior notice of its actions and the investor bears any consequent risk including that of market movement.

## **(b) Limited issue**

### **General**

A Fund may, in accordance with the COLL Sourcebook, limit the issue of units in the Fund, or the issue of any particular class(es) of

units in the Fund, to a prescribed NAV or number of units (the "Limit") or as at a particular date (the "Effective Date").

Where a Fund limits the issue of its units or a particular class of units, the Manager may not provide for the further issue of such units once the Limit or the Effective Date has been reached (as applicable) unless, at the time of the issue, it is satisfied on reasonable grounds that the proceeds of the subsequent issue can be invested without compromising the Fund's investment objective, or materially prejudicing existing unitholders. For example, the Manager may, in its discretion, allow subscriptions from existing regular savers to continue.

The issue of Class Z units in BlackRock Global Smaller Companies Fund is limited.

### **Limited Issue as at a Prescribed NAV or Number of Units**

#### **i. Assessment at Fund level**

The Manager may, at its discretion, limit the issue of units in a Fund in accordance with the rules in the COLL Sourcebook. Please refer to Appendix I for the applicable Limit in respect of a Fund in the event such a limit is applied.

#### **ii. Assessment at unit class level**

The Manager may, at its discretion, make available Class Z units in BlackRock Global Smaller Companies Fund. The issue of those units will be limited in respect of the NAV of the unit class, not the Fund. Please refer to Appendix I for the applicable Limit in respect of the Class Z units of BlackRock Global Smaller Companies Fund.

In both cases i. and ii., the Limit may be increased or decreased by the Manager where it considers that this is appropriate and is in accordance with the rules in the COLL Sourcebook. An example of circumstances which may result in the Limit being increased and the issue of further units could include market developments which enable the proceeds of the subsequent issue to be invested in suitable assets without compromising the Fund's investment objective. Where a new Limit is declared, this fact will be published on the BlackRock website at [www.blackrock.co.uk](http://www.blackrock.co.uk). Unitholders may also enquire as to the level of the Limit for a Fund (and whether such Limit has been reached) by calling the Client Services Team on 0800 445522, lines are normally open 8:30 am to 6:00 pm and for investor protection calls are normally recorded.

The issue of units in the relevant Fund or class(es) of units in a Fund will cease from the dealing day on which the Limit (or any higher or lower Limit set by the Manager) has been reached for the first time. Unitholders should note that due to varying sizes of subscription orders, the Fund or unit class (in relation to Class Z units in BlackRock Global Smaller Companies Fund) will not necessarily receive the amount of subscription monies to reach the Limit exactly. As the NAV of the Fund or unit class (in relation to Class Z units in BlackRock Global Smaller Companies Fund) approaches the Limit, the Manager may, where it deems appropriate at its absolute discretion, accept subscriptions of units in excess of the Limit or allow for the issue of units to cease when the subscriptions reach an acceptable level below the Limit. Accordingly, the Manager may use the flexibility to decline or reject subscription applications at its absolute discretion.

### **Limited Issue as at an Effective Date**

Where the Manager has limited the issue of units as at a particular date, the Manager may not provide for the further issue of such units under the limited issue arrangements other than in the circumstances outlined above in section 8 (b) – General. In the future, the Manager may provide for the issue of such units in



accordance with the ordinary procedures outlined in section 8 (a) – Purchase of Units. The Manager may take such a decision at its discretion and in accordance with the COLL Sourcebook, in circumstances which include, but are not limited to, where the NAV of the Fund has fallen significantly below the Limit applicable to the Fund or where market developments have arisen which enable the proceeds of the subsequent issue to be invested in suitable assets without compromising the Fund's investment objective. Unitholders may also enquire as to whether the issue of such units has recommended by calling the Client Services Team or checking the BlackRock website (see section 8 (b) for contact details).

### **(b) Cancellation rights**

Unitholders have 14 days in which to cancel the relevant purchase if they are advised to purchase units by an authorised person through whom a unitholder's business is placed with the Manager unless an appropriate customer agreement exists between such authorised person and the unitholder. The 14 days commences upon the unitholder's receipt of the contract note and the unitholder will need to notify the Manager in writing that they wish to exercise a right to cancel. Unitholders should note that exercising their right to cancel does not necessarily mean that they will receive back the amount they invested. Unitholders will receive back an amount based on the purchase price next calculated following the Manager's receipt of a valid cancellation notice in writing. If a unitholder has not yet paid for the investment, they will be liable to make up any shortfall. Proceeds from cancellation will be retained in a client money account until the purchase payment has cleared. This may be for a period of up to 21 calendar days from the date of acquisition. No interest will be paid on cancellation monies.

For regular savings, unitholders are only entitled to exercise a right to cancel in respect of the initial payment, although, they will not be liable to make up any shortfall and will therefore receive the full amount of the initial payment.

### **(c) Redemption of units**

Subject to the policy on pricing (see section 15) and the relevant Unitholder successfully opening an account, units in a Fund may normally<sup>2</sup> be sold back to the Manager during normal business hours either by application in writing by telephone or by fax. Written applications should be addressed to the Manager and sent by post to the Registrar using the following address: BlackRock, PO Box 545, Darlington, DL1 9TQ. Any written applications sent directly to the Manager will be forwarded to the Registrar as soon as reasonably practicable. Applications will be processed at the next valuation point following receipt by the Registrar. When a unitholder redeems units over the telephone, calls may be recorded by the Manager. Redeeming unitholders must complete and sign a renunciation form, or write a letter confirming the redemption. This form is available from the Manager on request. In limited circumstances the Manager may at its discretion accept renunciation

<sup>2</sup> In certain circumstances, for example, in the unlikely event of operational systems failure, or in exceptional market conditions, dealing in the Funds may not be possible at the times stated.

instructions by facsimile (followed by an original signature). The Manager does not normally accept renunciation or transfer instructions in electronic format. The Manager will send unitholders a repurchase contract note by close of business on the Business Day after the valuation point applicable to the deal. The proceeds will be sent to unitholders by the close of business on the third Business Day after the later of the following times:

- (i) the valuation point at which the repurchase instruction was processed; or
- (ii) the date of receipt of written instructions or document of renunciation.

All requests for redemption must be received by the dealing cut off time for the relevant Fund as set out in Appendix 1, otherwise they will be held over to the next following valuation point.

On agreeing to a redemption of units, the Manager will pay the unitholder the appropriate proceeds of redemption within the period specified above unless the Manager has reasonable grounds for withholding all or any part of the proceeds.

### **(d) Deferred redemption**

At times of excessive redemptions the Manager may decide to defer redemptions at any valuation point to the next valuation point where the requested aggregate redemptions exceed 10% of a Fund's value. This will therefore allow the Manager to protect the interests of continuing unitholders by allowing the Manager to match the sale of scheme property to the level of redemptions. This should reduce the impact of dilution on the Fund. All unitholders who have sought to redeem units at any valuation point at which redemptions are deferred will be treated consistently and any redemption requests received in the meantime will not be processed until the redemption requests that have been deferred to subsequent valuation points have been processed.

### **(e) In specie subscriptions and redemptions**

The Manager may, at its discretion, arrange for the Trustee to issue units in exchange for assets other than cash. The Trustee may, on the instruction of the Manager, pay out of a Fund, assets other than cash as payment for the sale of units. An in specie subscription or in specie redemption will only take place where the Trustee has taken reasonable care to determine that it is not likely to result in any material prejudice to the interests of unitholders in the relevant Fund. For the avoidance of doubt, the value of an in specie subscription or in specie redemption will not necessarily correspond with the applicable published price of the relevant units.

Where the Manager considers a cash subscription to be substantial in relation to the total size of a Fund it may require the investor to contribute in specie. The Manager may consider a deal in this context to be substantial if the relevant units constitute 5% (or a lesser or higher

percentage if considered appropriate) of those in issue in the relevant Fund.

The Manager will ensure that the beneficial interest in the assets is transferred to the Fund with effect from the issue of the units.

The Manager will not issue units in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Fund.

If a unitholder wishes to sell units in any Fund representing 5% or more of the value of that Fund the Manager can elect not to give the unitholder the proceeds of the sale of units but instead transfer property (i.e. underlying securities) of the relevant Fund to the unitholder (an "in specie redemption").

Where the Manager elects to carry out an in specie redemption, it must notify the unitholder of this in writing no later than the close of business on the second Business Day after the day on which it received selling instructions from the unitholder.

Where there is an in specie redemption, the Trustee will, in accordance with the rules of the COLL Sourcebook, cancel the units and transfer a proportionate share of the assets of the relevant Fund or such selection from the property of the Fund as the Trustee, after consultation with the Manager, decides is reasonable to the unitholder, in either case having regard to the need to be fair both to the unitholder taking the in specie redemption and to continuing unitholders.

Irrespective of the value of the units, where a unitholder wishes to redeem and the Manager has elected to provide an in specie transfer, the unitholder is entitled to instruct the Manager not to transfer assets, but to sell those assets (other than those in cash in the relevant currency) and pay to the unitholder the net proceeds of sale (and cash). However, instruction must be given by the unitholder in writing to the Manager by the close of business on the third Business Day after receipt of the Manager's notice of election to provide an in specie redemption.

The Manager may, in its sole discretion, agree to a request from a unitholder for an in specie redemption where it receives such request in advance of the redemption request. Where the Manager does agree, the Trustee will transfer assets to the unitholder of the relevant Fund in the manner set out above.

#### **(f) Suspension**

The Manager may, with the prior agreement of the Trustee, and must without delay, if the Trustee so requires, temporarily suspend the sale and redemption of units for a period of time where due to exceptional circumstances it is in the interest of all unitholders in the relevant Fund.

The Manager and Trustee must ensure that the period of suspension is only allowed to continue for as long as it is justified having regard to the interest of unitholders and that dealing resumes as soon as practicable after the circumstances triggering a suspension have ceased. Upon suspension the Manager or the Trustee will immediately inform the FCA giving reasons for the suspension and notify any Home State regulator in jurisdictions where units in the relevant Fund are available for sale.

The Manager will notify unitholders of the suspension as soon as practicable after the suspension commences and will formally review the suspension with the Trustee at least every 28 days, keeping the FCA informed. The Manager will resume issue and redemption in units after giving the requisite notice in accordance with the COLL Sourcebook. The Manager will publish sufficient details on its website to keep unitholders appropriately informed about the suspension including, if known, its likely duration.

#### **(g) Conversion and switching rights**

Where more than one class of unit is in issue in a Fund, the Manager may permit a unitholder to:

- (i) Convert all or some of the units held from one class in that Fund (the "**Original Units**") for units of another class in the same Fund ("**New Units**"), subject to minimum investment and eligibility requirements. When units are converted, the number of New Units to be issued will be determined by applying a 'conversion factor' to the value of the Original Units held to determine the number of New Units to be issued. The conversion factor applicable to such unit conversion is available on request from the Manager in writing or by telephoning the Investor Services Team on 0800 445522, lines are normally open 8:30 am to 6:00 pm and for investor protection calls are normally recorded; or
- (ii) Switch all or some of the units held from one class in that Fund (the "**Original Units**") into units of another Fund within the same umbrella or another BlackRock Group fund (the "**New Units**"). On a switch of units, the number of New Units issued will be determined by reference to the respective prices of New Units and Original Units at the valuation point applicable when the Original Units are redeemed and the New Units are issued. Any such exchange is treated as a redemption and sale.

Unitholders must provide written instructions to convert or switch holdings to the Manager which, in the case of joint unitholders, must be signed by all joint unitholders before a conversion or switch is effected. Conversions and switches are subject to the minimum investment and eligibility requirements. No conversion or switch will be made during any period when the right of unitholders to require a redemption of units is suspended.

The Manager, at its discretion, may make a charge for a conversion between units of the relevant Fund or a switch from the relevant Fund into other BlackRock Group funds as set out in Appendix 2. Any such charge does not constitute a separate charge payable by a unitholder but is only the application of any redemption charge on the Original Units and any preliminary charge of the New Units. Currently, such a charge will not apply in the case of a conversion of unit classes within the same Fund. Currently the Manager charges a fee on switches only. This charge is equivalent to the preliminary charge for the Fund and unit class into which the unitholder is switching. The Manager at its discretion may discount this switching fee and pay all or part of such a discount to an intermediary.

A conversion or switch of units will only be accepted by the Manager if the conditions for holding the New Units are met,



such as meeting the minimum holding. A switch between the relevant Fund and another Fund or other BlackRock Group funds will only be effected on a Business Day when both funds have valuation points.

Unitholders subject to UK tax should note that a switch of units between Funds (but not between unit classes in the same Fund) should be treated as a disposal for the purposes of capital gains tax. Conversions between different unit classes in the same Fund should not give rise to a disposal for UK capital gains tax purposes. Unitholders should seek their own professional tax advice in this regard.

A unitholder who switches units in one Fund for units in any other Fund will not be given a right by law to withdraw from or cancel the transaction.

Class S units, Class PL units, Class SI units, Class X units and Class Z units are only available to unitholders who have entered into a separate agreement with the Manager, the Principal Distributor or one of their affiliates in relation to the holding of Class S units, Class PL units, Class SI units, Class X units and/or Class Z units.

A unitholder in one Fund may exchange units for units in another Fund within the same umbrella. Any such exchange is treated as a redemption and sale. A charge may be made when switching units in one Fund for units in another Fund.

#### **(h) Mandatory redemption, cancellation, switching, conversion or transfer of units**

The Manager may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no units in any Fund are acquired or held by any person in circumstances ("relevant circumstances") which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or which would (or would if other units were acquired or held in like circumstances) result in any Fund incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); and, in this connection, the Manager may reject at its discretion any subscription for, sale, switch, conversion or transfer of units.

In particular, the Manager has determined that US Persons are not permitted to own units. The term "US Person" means any US resident or other person specified in Regulation S under the United States Securities Act 1933, as amended from time to time and as may be further supplemented by the Manager.

All US residents and citizens should note the requirements of the Foreign Account Tax Compliance Act ("**FATCA**"), please see section 25.

If it comes to the notice of the Manager that any units ("**affected units**") have been acquired or are being held in each case whether beneficially or otherwise in any of the relevant circumstances referred to above or if it reasonably believes this to be the case the Manager may give notice to the holder of the affected units requiring the unitholder to transfer such units to a person who is qualified or entitled to own the units in question or to give a request in writing for the redemption or cancellation of such units. If any

person upon whom such a notice is served does not within thirty days after the date of such notice transfer his units to a person qualified to hold the same, or establish to the satisfaction of the Manager (whose judgement shall be final and binding) that he and any person on whose behalf he holds the affected units are qualified and entitled to hold the units, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of the affected units.

The Manager may effect a mandatory conversion of an investor's units for units in the same fund with a lower management fee (but otherwise with the same rights attached to them), provided such investor is given at least 60 days' prior notice of such conversion.

#### **(i) Unpresented cheques, unclaimed or other balances**

Where the Manager holds an outstanding balance that is due to a unitholder, arising from the redemption of units, or otherwise, such amounts will be treated by the Manager as client money pursuant to the FCA rules on client money. Reasonable efforts will be made to contact unitholders at the address reflected in the Manager's records in order to facilitate payment of any outstanding balance due. However, if the Manager is unable to contact a unitholder, after a period of 6 years, such amounts may, pursuant to the FCA rules on client money, be paid to a registered charity of the Manager's choice and will cease to be held as client money by the Manager. Pursuant to the FCA rules on client money, distributions paid either as a dividend, or as an interest distribution, depending on whether a Fund is classified as a bond, or an equity fund, will only be treated as client money by the Manager if held by the Manager. Currently, the Manager does not hold such distributions in a client money account. By entering into a contract with the Manager, or one of its affiliates, unitholders consent to this course of action. No interest will be payable to unitholders in respect of amounts relating to unpresented cheques or other balances held or transferred as described above. By entering into a contract with the Manager or one of its affiliates, unitholders consent to this course of action.

#### **(j) Client Money**

Any money received from, held for, or on behalf of a client by the Manager during the course of any normal business transaction will, where applicable, be held in accordance with the FCA rules in respect of client money. No interest will be accumulated in the client money bank accounts during the period the monies are treated as client money, and as such, interest will not be payable to unitholders in respect of such monies. No interest will be payable to unitholders in respect of amounts relating to individual transactions.

#### **(k) Excessive trading policy**

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

unitholders. 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.

Unitholders 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 unitholder interests are protected against excessive trading. These include:

- (i) in-specie redemptions – section 12(e); and
- (ii) conversion and switching rights – section 12(g).

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

- (i) combine units 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 units from investors whom they consider to be excessive traders; and
- (ii) levy a redemption charge of 2% of the redemption proceeds to unitholders 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 unitholders will be notified in their contract notes if such a fee has been charged.

### **(I) 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 (including but not limited to sanctions administered by legislation, sanctions administered by United States Office of Foreign Asset Control, EU and United Nations), tax laws and regulatory requirements, unitholders may be required, in certain circumstances, to provide additional documentation to confirm their identity or provide other relevant information pursuant to such laws and regulations, as may be required from time to time, even if an existing unitholder. Any information provided by unitholders will be used only for the purposes of compliance with these requirements and all documentation will be duly returned to the relevant unitholder. Until the Manager receives the requested documentation or additional information, there may be a delay in processing any subsequent redemption request and the Manager reserves the right in all cases to withhold redemption proceeds until such a time as the required documentation or additional information is received. Any such redemption monies will be held by the Manager in accordance with FCA rules on client money with a third party bank. No interest

will be paid to investors during the period such monies are treated as client money.

Alternatively, the Manager may employ a search of electronic data reference sources in order to access information held electronically concerning the identity of a unitholder, including information held by certain government and consumer agencies. By completing the relevant application forms or entering into a contract with the Manager or one of its affiliates, unitholders acknowledge that the Manager may at any time initiate a search of information held electronically in order to verify identity.

## **13. Valuation**

### **a) Dual-Priced Funds**

In respect of Dual-Priced Funds, the Manager calculates prices at which unitholders buy and sell units in accordance with Section C of Appendix 4, as permitted by the COLL Sourcebook. The basis of the calculation is the value of the underlying assets of the Dual-Priced Fund. The Dual-Priced Funds are valued both on an issue basis and on a cancellation basis, from which the 'buying' price (offer) and 'selling' price (bid) are determined, as detailed within Section C of Appendix 4. The difference between these two prices is known as the spread. The maximum permitted spread may be wider than the spread the Manager normally quotes for dealing, but the Manager may deal at any prices calculated in accordance with Section C of Appendix 4 and notified to the Trustee. The maximum offer price may not exceed the total of the issue price and the preliminary charge. The minimum bid price may not be less than the cancellation price. All the Funds are valued on each Business Day.

On any Business Day, the Manager may choose to net the subscriptions and redemptions coming into the Fund in order to minimise the dealing costs associated with the relevant underlying trades and facilitate the efficient operation of the issue and cancellation of units on a daily basis. In this situation, the Manager may determine a price that is higher than the published bid price at which unitholders can redeem their units in a Fund or a price which is lower than the published offer price at which unitholders can subscribe for units in a Fund (excluding any preliminary charge due to the Manager), thereby passing the cost benefit of any such netting onto unitholders. This is known as unit crossing.

### **b) Single-Priced Funds**

In respect of Single-Priced Funds, the Manager calculates the price at which unitholders buy and sell units in accordance with Section D of 'Appendix 4 – Valuation and Pricing', as permitted by the COLL Sourcebook. The basis of the calculation is the value of the underlying assets of the Single-Priced Funds.

A single unit price is calculated at each Valuation Point and all subscriptions and redemptions of units at that Valuation Point are dealt at that price.

Each Single-Priced Fund operates a single swing pricing methodology where the price of each unit may be adjusted to protect the unitholders' investment from the costs of buying or selling investments that result from other unitholders joining or leaving a Single-Priced Fund (known

as a “dilution adjustment” - for further details refer to section 17 (Dilution Adjustment).

### **c) General**

The Manager may at its discretion implement fair value pricing policies in respect of any of the Funds. Fair value pricing will only apply where the Manager has reasonable grounds to believe that no reliable price exists for one or more underlying securities at a valuation point or the most recent price available does not reflect the Manager's best estimate of the value of a security at the valuation point. In these circumstances the Manager may at its discretion value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment. Circumstances which may give rise to a fair value price being used include instances where there is no recent trade in the security concerned; or the occurrence of a significant event since the most recent closure of the market where the price of the security is taken. A significant event is one that means, in the Manager's judgement, the most recent price of a security or a basket of securities is materially different to the price that it is reasonably believed would exist at the valuation point had the relevant market been open. For this purpose, the Manager may utilise pre-determined trigger levels which take into account the materiality of any variance. The Manager's decision to use fair value pricing will also depend on the type of authorised fund concerned, the securities involved and the basis and reliability of the alternative price used.

The Manager may suspend dealing in any Fund if it cannot obtain prices on which to base a valuation (see section 12(f)). The Manager may, with the Trustee's prior agreement or if the Trustee requires it, suspend the repurchase of units in accordance with the COLL Sourcebook, as described above under the heading “Suspension”.

Valuations are normally taken at a valuation point of 12.00 noon<sup>3</sup>. The Manager may declare additional valuation points for any Fund at its discretion and with the Trustee's agreement. At a valuation point the Manager calculates unit prices, using the most recent prices of the underlying securities that it can reasonably obtain. The objective is to give an accurate value of the Fund as at the valuation point. The base currency of each Fund is Sterling.

## **14. Pricing of Units and Historic Performance Data**

### **a) Dual-Priced Funds**

The Manager will, on the completion of each valuation, advise the Trustee of the issue and cancellation prices. These are the prices which the Manager has to pay to the Trustee for the issue of units or which the Manager will receive from the Trustee upon the cancellation of units. The cancellation price last notified to the Trustee is available from the Manager on request. The Manager deals in units as principal and accordingly the offer and bid prices that it publishes from time to time are the prices that are relevant to unitholders or applicants. These prices must not be greater than the applicable issue price on that day plus the preliminary charge, nor less than the cancellation price.

The Manager will notify the Trustee of the maximum issue price and minimum cancellation price at which it will deal.

### **b) Single-Priced Funds**

The price at which units are sold and redeemed is based on the net asset value of the scheme property of the relevant Single-Priced Fund attributable to the relevant unit class of that Fund divided by the number of units of that class in issue (adjusted to reflect any applicable dilution adjustment).

The Single-Priced Funds began to use single pricing and the single swing pricing methodology with effect from 27 November 2023. Historic performance data published prior to that date will be based on the previous dual pricing valuation methodology.

### **c) Historic Performance Data**

Historic performance data (where available) is contained in the key investor information document for the relevant unit class of the relevant Fund, which is available on request from the Manager. For up to date information visit the Manager's website [www.blackrock.co.uk](http://www.blackrock.co.uk) or speak to its Investor Services Team on 0800 445522, lines are open between 8.30am and 5.30pm. Telephone calls may be recorded by the Manager.

## **15. Policy on Pricing**

Units are purchased and sold on a forward pricing basis which means that the unit price is calculated by reference to the next valuation point after the purchase or sale has been accepted by the Manager. This means it is not possible to know in advance the net asset value per unit at which units will be bought and sold.

In respect of Dual-Priced Funds, if a purchase or sale order is for a total amount of £15,000 or more, it is considered to be a "large deal" and the Manager reserves the right to execute an order at a price higher than the published offer price or lower than the published bid price (as applicable). Should this prove to be the case, the price paid when buying units will not be higher than the maximum offer price, or when redeeming units, less than the cancellation price.

## **16. Minimum Investment and Minimum Holding**

In the case of Class A units (as available), the minimum initial investment and minimum value of a holding in a Fund is £500. Unitholders may make subsequent investments for Class A units in a Fund in amounts of £100 or more.

In the case of Class D units (as available), the minimum initial investment and minimum value of a holding in a Fund is £100,000. Unitholders may make subsequent investments for Class D units in a Fund in amounts of £100 or more.

In the case of Class I units (as available), the minimum initial investment and minimum value of a holding in a Fund is £1,000,000. Unitholders may make subsequent

<sup>3</sup> In certain circumstances, for example, in the unlikely event of operational systems failure, or in exceptional market

conditions, dealing in the Funds may not be possible at the times stated.

investments for Class I units in a Fund in amounts of £100 or more.

In the case of Class S units (as available), the minimum initial investment and minimum value of a holding in a Fund is £50,000,000. Unitholders may make subsequent investments for Class S units in a Fund in amounts of £100 or more.

In the case of Class PL units (as available), the minimum initial investment and minimum value of a holding in a Fund is £50,000,000. Unitholders may make subsequent investments for Class PL units in a Fund in amounts of £100 or more.

In the case of Class SI units (as available), the minimum initial investment and minimum value of a holding in a Fund is £250,000,000. Unitholders may make subsequent investments for Class SI units in a Fund in amounts of £100 or more.

In the case of Class X units (as available), the minimum initial investment and minimum value of a holding in a Fund is £10,000,000. Unitholders may make subsequent investments for Class X units in a Fund in amounts of £100 or more.

In the case of Class Z units (as available), the minimum initial investment and minimum value of a holding in a Fund is £50,000,000. Unitholders may make subsequent investments for Class Z units in a Fund in amounts of £100 or more.

For the avoidance of doubt, Class A units and Class D units (as available) are intended for investment by retail investors (Class D typically through an intermediary). Class I units, Class S units, Class PL units, Class SI units, Class X units and Class Z units are intended for investment by institutional style investors who are able to meet the minimum investment and holding criteria for the relevant class. It should be noted that pursuant to sections 12(g) and 12(h), the Manager reserves the right to switch the entire holding to a more appropriate class of units (where available) or redeem the entire holding. In such circumstances, the Manager is not obliged to provide prior notice and the unitholder bears the consequent risk including that of market movement.

In respect of Class A units, Class D units, Class I units, Class S units, Class PL units, Class SI units, Class X units and Class Z units unitholders may make withdrawals of £250 or more as set out in Appendix 1. When unitholders make a withdrawal, conversion, switch or transfer, the remaining balance of their holding must be at least equal to the minimum investment otherwise the Manager may at its discretion arrange to sell the holding and remit the proceeds to the relevant unitholder. If, as a result of a withdrawal, conversion, switch or transfer a small balance of units meaning an amount of £2 or less is held, the Manager shall have absolute discretion to realise this small balance and donate the proceeds to a UK registered charity selected by the Manager.

The BlackRock Savings Plan is available for investment into Class A units (as available) only. Unitholders must invest at least £50 per Fund per month. Unitholders may stop monthly payments at any time by cancelling the direct debit instruction with their bank and informing the Manager in writing. Provided a balance of more than £500 remains, a unitholder's account can be kept open. If the balance is less than these levels, the units will be redeemed at the

applicable price next calculated after the Manager has received the unitholder's instructions and the Manager will send the proceeds to the unitholder within three Business Days. If, as a result of a withdrawal, conversion, switch or transfer, the balance of a unitholder's account is less than £500, the Manager will also sell the holding for the unitholders, unless the unitholder notifies the Manager of its intention to continue making regular monthly payments. Minimum investment and holding amounts may be waived at the Manager's discretion.

## 17. Dilution Adjustment

In respect of Single Priced Funds only, the Manager may adjust the Net Asset Value per unit for a Fund in order to reduce the effect of "dilution" on that Fund. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a Fund deviates from the carrying value of these assets in the Fund's valuation, due to factors such as dealing and brokerage charges, taxes and duties, market impact and any spread between the buying and selling prices of the underlying assets.

Dilution may have an adverse effect on the value of a Fund and therefore impact unitholders. By adjusting the Net Asset Value per unit this effect can be reduced or prevented and unitholders can be protected from the impact of dilution. The Manager may adjust the Net Asset Value of a Fund if:

- (a) on any Dealing Day the value of the aggregate transactions in Units of all unit classes of that Fund results in a net increase or decrease which exceeds one or more thresholds that are set by the Manager for that Fund; or
- (b) the Manager otherwise considers it appropriate in order to protect the interests of the continuing unitholders.

The amount by which the Net Asset Value of a Fund may be adjusted on any given Dealing Day is related to the anticipated cost of market dealing for that Fund. The adjustment will be an addition when the net movement results in an increase in the value of all units 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, particularly in relation to duties and taxes, the resulting adjustment may be different for net inflows than for net outflows. In addition, the Manager may also agree to include extraordinary fiscal charges in the amount of the adjustment. These extraordinary fiscal charges vary from market to market and are currently expected not to exceed 2.5% of that Net Asset Value. Where a Fund invests primarily in certain asset types, such as government bonds or money market securities, the Manager may decide that it is not appropriate to make such an adjustment. Unitholders should note that due to adjustments being made to the Net Asset Value per unit, the volatility of a Fund's Net Asset Value per unit may not fully reflect the true performance of the Fund's underlying assets.

The Manager will not benefit from the operation of swing pricing and it will only be imposed in a manner deemed to be fair to all unitholders and solely for the purposes of reducing dilution.

For the avoidance of doubt, this section 17 does not apply to the Dual-Priced Funds.



## 18. Commission and Rebates

If Class A units (where available) are purchased through an authorised intermediary, the Principal Distributor (as authorised by the Manager) may, at its discretion, pay initial or renewal commissions to authorised intermediaries, subject to FCA rules.

The amount of initial or renewal commission paid on a purchase will be shown on the relevant contract note sent to a unitholder. The Manager will also advise unitholders of any initial or renewal commission to be paid in respect of a purchase, upon request. If a unitholder switches an investment from one Fund to another Fund or from one Fund into another BlackRock Group fund, the Manager normally allows a discount on the price at which units are purchased and/or pay a reduced commission to any intermediary concerned.

Initial and renewal commissions may be available in respect of Class A units. No initial or renewal commissions are paid in respect of Class D units, Class I units, Class S units, Class PL units, Class SI units, Class X units or Class Z units.

Class S units, Class PL units, Class SI units, Class X units and Class Z units are only available to unitholders who have entered into a separate agreement with the Manager, the Principal Distributor or one of their affiliates in relation to the holding of Class S units, Class PL units, Class SI units, Class X units and Class Z units. The Manager or Principal Distributor (as authorised by the Manager) may also, at its discretion, waive any preliminary charge, in whole or in part, in respect of an application for Class A units, Class D units, Class I units, Class S units, Class PL units, Class SI units, Class X units or Class Z units, or, subject to FCA rules, determine to pay a rebate in respect of the payment of annual management charges in respect of any holding of Class A units in certain funds to certain authorised intermediaries. The Principal Distributor currently pays rebates in respect of holdings in certain Funds by certain investors and authorised intermediaries including various associated companies in the BlackRock Group.

Subject to FCA rules, rebates of annual management charges may be agreed on certain Funds at the Manager's discretion and subject to the nature of the business provided by third party intermediaries to end investors. Rebates will not exceed the published amount of annual management charge payable in respect of those Funds.

The terms of any rebate will be agreed between the Principal Distributor and the authorised intermediary from time to time. If so required by applicable FCA rules, the authorised intermediary shall disclose to any of its underlying clients the amount of any rebate of annual management charge it receives from the Principal Distributor and the Manager shall also disclose to unitholders, upon request, details of any rebate paid by the Principal Distributor to an authorised intermediary in connection with a holding of units, where the authorised intermediary has acted on behalf of that unitholder.

The Manager may, at its discretion, discount any switching fee and pay some or all of the discount to an intermediary, subject to FCA rules.

Payment of any rebate of annual management charge or of the preliminary charge ("commission") shall cease on the

entry into force of any legislation and/or regulation prohibiting the payment of commission from product providers to counterparties, to the extent that such legislation and/or regulation affects the counterparties activities in any particular jurisdiction and/or sale of particular Funds.

MiFID II contains restrictions on the receipt and retention of fees, commissions, monetary and non-monetary benefits ("inducements") where firms, subject to MiFID II, provide clients with portfolio management services or independent investment advice. It also includes 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 MiFID II.

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

Where applicable, commissions and rebates that are treated as client money will be held in accordance with section 32(h).

## 19. Manager's Box

The Manager will run a box (i.e. hold units in the Funds in its own accounts). The Manager pays any profit made on the issue of units, or on the re-issue or cancellation of any units redeemed into the relevant Fund. The current policy of the Manager is to hold only sufficient numbers of units to facilitate the efficient operation of the Funds and of the issue and cancellation of units. The Manager is not obliged to provide any notice to unitholders of a change in such policy.

## 20. Publication of Prices and Yields

The previous dealing day's bid and offer prices of units (in respect of Dual-Priced Funds) or price (in respect of Single-Priced Funds) and the current estimated annual yields of the Funds, as well as the preliminary charge applicable for each Fund, will be made publicly available in a variety of sources but primarily through the Manager's website, [www.blackrock.co.uk](http://www.blackrock.co.uk), or by calling its Investor Services Team on 0800 445522, lines are open between 8.30am and 5.30pm. Telephone calls may be recorded by the Manager. Please note that the published prices are for information only and the price or prices (as applicable) may not be the price obtained when units are dealt. The Manager is not responsible for errors in publication or for non-publication. In respect of Dual-Priced Funds, the cancellation price in the relevant Fund or Funds will be available, from the Manager, on request.

The units in the Funds are not listed or dealt in or on any investment exchange.

## 21. Classes of Units

The classes of units currently available in each Fund are set out in Appendix 1. Where unitholders invest via a BlackRock Savings Plan, only Class A units may be held. Each type of unit represents a beneficial interest in undivided shares in the property of the Fund as detailed below. Each unit, Accumulation or Income, represents one undivided share in the property of a Fund. Each undivided unit ranks *pari passu* with other undivided units in a Fund. The nature of the rights represented by units is that of a beneficial interest under a trust. Unitholders are not liable for the debts of a Fund.

If a unitholder holds Income units, it will receive a distribution, net of any applicable charges but gross of any applicable tax, payable monthly, quarterly, half-yearly or annually according to the distribution policy of the relevant Fund, details of which are set out in Appendix 1. This distribution will be paid either by cheque or directly into the bank account of the relevant unitholder. This distribution is calculated by multiplying the number of Income units held on the last day of the relevant accounting period, by the relevant rate of distribution declared by the Manager. After a period of six years from the date of payment, any unclaimed distribution will be added to the capital property of the Fund and may be forfeited. No interest will be paid on unclaimed distribution monies.

If a unitholder holds Accumulation units, there will be no actual payment of income. The income attributable to the units will remain as property of the relevant Fund and the number of undivided shares represented by each Accumulation unit will be increased accordingly. The number of Accumulation units remains the same.

The Manager may adopt a policy of smoothing interim distributions for a Fund if it considers that this is in the interest of unitholders of the Fund and consistent with the objective and policy of the Fund.

The Trust Deed also permits further classes of units to be made available other than those currently available. Any such class of unit may vary according to whether it accumulates or distributes income or attracts different fees and expenses, and as a result of this, monies may be deducted from classes in unequal proportions. In these circumstances, the proportionate interests of the classes of units within a Fund will be adjusted in accordance with the provisions of the Trust Deed relating to proportion accounts. The Trustee may create one or more classes of units as instructed from time to time by the Manager. The creation of additional unit classes will not result in any material prejudice to the interests of holders of units in existing unit classes.

## 22. Evidence of Title

No certificates are issued in respect of the units in the Funds. Should any unitholder, for any reason, require evidence of his title to units, the Manager shall, upon unitholder proof of identity as it shall reasonably require, supply the relevant unitholder with a certified copy of the relevant entry in the Register relating to their holding of units.

Holdings in respect of investments via the BlackRock Savings Plan will be registered in the name of the

unitholder. The Manager will send an initial acknowledgement, followed by half-yearly statements.

## 23. Investment Objective and Policy / Investment Restrictions

### (a) General

Details of the investment objective and policy of each of the Funds is set out in Appendix 1.

Details of the investment restrictions applicable to a particular Fund are set out in Appendix 3.

### (b) Environmental, Social and Governance Integration

BlackRock has defined ESG Integration as the practice of incorporating material environmental, social, and governance (ESG) information 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 will integrate ESG considerations in its investment processes across the UK active funds platform. ESG information will be included as a consideration in investment research, portfolio construction, portfolio review and stewardship processes.

For each of the Funds, the firm's Risk and Quantitative Analytics group will review portfolios in partnership with the Investment Manager to ensure that exposures to ESG risk are considered regularly alongside traditional financial risks. The Investment Manager considers ESG data within the total set of information in its research process and makes a determination as to the materiality of such ESG data in its investment process. ESG factors are not the sole considerations when making investment decisions for the Fund. The Investment Manager's evaluation of ESG data is subjective and may change over time.

This approach is consistent with the Investment Manager's regulatory duty to manage the Funds in accordance with their investment objectives. BlackRock's approach to ESG integration is to broaden the total amount of information the Investment Manager considers with the aim of improving investment analysis and understanding the likely impact of ESG risks on the Funds' investments. The Investment Manager assesses a variety of economic and financial indicators, which may include ESG considerations, to make investment decisions appropriate for the Funds' objectives.

Unless otherwise stated in Fund documentation and included within a Fund's investment policy, there is no indication that an ESG or Impact focused investment strategy or exclusionary screens will be adopted by the Fund.



BlackRock undertakes investment stewardship engagements and proxy voting with the goal of protecting and enhancing the long-term value of the Funds' assets. 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. BlackRock focuses 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. BlackRock engages 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.

Sound practices relating to the material environmental factors inherent in a company's business model can be a signal of operational excellence and management quality. Environmental factors relevant to the long-term economic performance of companies are typically industry specific, although in today's dynamic business environment some other factors, such as regulation and technological change, can have a broader impact. Corporate reporting should help investors and others understand the company's approach to these factors and how risks are mitigated and opportunities realised.

BlackRock takes a long-term perspective in its investment stewardship work informed by two key characteristics of BlackRock's business: the majority of investors are saving for long-term goals and so are presumably long-term investors; 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>

## 24. Risk Considerations

Potential investors should consider the risk factors below before investing in the Funds (or, in the case of specific risks applying to specific Funds, in those Funds). This list must not be taken to be comprehensive. It should also be noted that there may be new risks that arise in the future which could not have been anticipated in advance. Also, risk factors listed will apply to different Funds to different degrees, and for a given Fund this degree could increase or reduce through time.

### (a) General investment risks

The Funds are subject to the risk that all equity and fixed interest securities funds are subject to i.e. fluctuations in capital value which can be influenced by factors such as political and economic news, corporate earnings reports, demographic trends and catastrophic events. While over a long period it might be expected that a Fund will produce

positive total returns, in any particular period losses may be suffered. The Manager cannot guarantee that it will achieve the objectives set out for any Fund.

Unitholders should always bear in mind that the price of units in any Fund and the income from them can go down as well as up and are not guaranteed. An investment in a Fund is not intended to be a complete investment programme.

The Funds may invest in currencies other than Sterling. As a result, changes in the rates of exchange between currencies may cause the value of units in the relevant Funds to go up or down. Accordingly, unitholders may not receive back the amount invested.

Where cancellation rights apply to a contract any investor exercising such cancellation rights will not obtain a full refund of the money paid (except regular savers who will obtain a full refund) on the making of the contract if the value of the investment falls before the cancellation notice is received by the Manager as an amount equal to that fall will be deducted from any refund made to the investor. An investment in a Fund is not protected against the effects of inflation.

#### (i) Accumulation of Fees/Expenses

As the Funds may invest in funds, the unitholders may incur a duplication of fees and commissions (such as management fees, including performance fees, custody and transaction fees, other administration fees and audit fees). To the extent these funds are permitted to invest in turn in other funds, unitholders may incur additional fees to those mentioned below.

#### (ii) Charges from Capital

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

#### (iii) Counterparty Risk

See also 'Credit Risk'. The bankruptcy or default of any counterparty could result in losses to any Fund. In addition, a Fund may bear the risk of loss because a counterparty does not have the legal capacity to enter into a transaction, or if the transaction becomes unenforceable due to relevant legislation or regulation (see 'Legal and Regulatory Risk').

In the case of any insolvency or failure of any such party, a Fund might recover only a pro rata share of all property available for distribution to all of such party's creditors and/or customers. Such an amount may be less than the amounts owed to that Fund.

Trading in financial derivative instruments which have not been collateralised gives rise to direct counterparty exposure. A Fund might mitigate much of this risk by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any financial derivative instrument is not fully collateralised, a default by the counterparty may result in a reduction in the value of a Fund. In the event of the insolvency of the counterparty to a derivative, a Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying indebtedness. Consequently, that Fund will be subject to the credit risk of the counterparty as well as that of the issuer of the indebtedness. As a result, concentrations of derivatives in any one counterparty may subject a Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the issuer of the underlying indebtedness.

To mitigate counterparty risk a Fund will only use preferred counterparties which it believes to be creditworthy and may reduce the exposure incurred in connection with such transactions through the use of letter of credit or collateral.

A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an on-going basis. However there can be no guarantee that a counterparty will not default or that a Fund will not sustain losses as a result.

The Manager is free to use one or more separate counterparties for derivative investments. Some or all of these counterparties may be associates of the BlackRock Group.

(iv) Credit Risk

See also 'Counterparty Risk'. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation. Each Fund will be exposed to a credit risk for the parties with whom it trades. Investing in sovereign debt, any other debt guaranteed by a sovereign government, or corporate debt entails risks related to the issuer's ability and willingness to repay principal and pay interest. A default by the issuer of the bond may impact the value of a Fund. Short-term cash equivalent investments, such as commercial paper, bankers' acceptances, certificates of deposit, and repurchase transactions, are not guaranteed by any government and are subject to some risk of default.

Credit risk may also arise through a default by one or several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Fund interacts on a daily basis.

(v) *Determination of Unit Prices*

Where a Fund invests some or all of its assets in underlying funds, a corresponding proportion of the value of the Fund and hence the issue and redemption price of its units, will be based on the latest prices that are available for the investments held by the underlying funds. These latest prices may be estimated prices due to either the frequency or the timing of dealing in the investment vehicles in which the underlying funds are invested or the time that is required by the administrators of such investment vehicles to calculate final prices.

Consequently, the value of the Fund and hence the issue and redemption prices of the units, may not accurately reflect the value that would have been received by the Fund had that holding been realised on that day.

The underlying funds may invest in investment vehicles which do not permit holdings to be redeemed on either as frequent a basis as that applying to the Fund or on the same day as the Fund. In the absence of published current redemption prices or net asset values the Directors may have to determine valuations in respect of such investments. Adequate information may not always be available to the Manager or the Investment Manager from underlying funds or other sources for that purpose and consequently such valuations may not accurately reflect the realisable value of the Fund's holdings on the next dealing day of the underlying fund concerned or the value that would have been received by the Fund had those holdings been realised on that day.

(vi) Fund Liability Risk

The Trust is structured as an umbrella fund with segregated liability between its Funds. The assets of one Fund will not be available to meet the liabilities of another. However, the Trust (through the Manager) may operate or have assets held on its behalf or be subject to claims in the UK, or in other

jurisdictions, whose courts may not necessarily recognise such segregation of liability.

Therefore, it is not possible to be certain that the assets of a Fund will always be completely isolated from the liabilities of another Fund in every circumstance.

(vii) Interest Rate and Currency Risk

The net asset value per unit of a Fund will be computed in the base currency of the relevant Fund whereas the investments held for the account of that Fund may be acquired in other currencies. The value in terms of the relevant base currency of the investment of a Fund, where designated in any other currency, may rise and fall due to currency exchange rate fluctuations of individual currencies, such that the net asset value of a Fund will change in response to such fluctuations. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The performance of investments in securities denominated in a specific currency will also depend on the interest rate environment in the country issuing the currency. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline.

(viii) Leverage

A Fund may be able to use leverage, including through use of derivative instruments, in accordance with its investment objective and strategy as set out in Appendix 1 and subject to the investment restrictions set out in Appendix 3.

Leverage will generally be generated by using derivatives that are inherently leveraged due to the relatively small amount of deposit required to open a position, including among others, forward contracts, futures contracts, options and swaps. A relatively small market movement may therefore have a potentially larger impact on derivatives than on standard bonds or equities, with the result that leveraged derivative positions may increase Fund volatility.

The Funds may have higher levels of leverage in atypical or volatile market conditions, for example when there are sudden movements in investment prices due to difficult economic conditions in a sector or region. In such circumstances, the Manager or its delegate may increase its use of derivatives in a Fund in order to reduce the market risk to which that Fund is exposed, this, in turn, would have the effect of increasing its levels of leverage.

Leverage may also take the form of trading on margin, which will result in interest charges and, depending on the amount of trading activity, such charges could be substantial. The level of interest rates generally, and the rates at which a Fund can borrow in particular, will affect the operating results of that Fund.

In general, the anticipated use of short-term margin borrowings may result in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure a Fund's margin accounts decline in value, a Fund could be subject to a "margin call", pursuant to which a Fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of a Fund's assets, a Fund might not be able to liquidate assets quickly enough to pay off its margin debt. Whether any margin deposit will be required for over-the-counter ("OTC") options and other OTC instruments, such as currency forwards, swaps and certain other derivative instruments, will depend on the credit determinations and specific agreements of the parties to the transaction, which are individually negotiated. Low margin deposits are indicative of the fact that any trading in certain derivatives markets is typically accompanied by a

high degree of leverage. Low margin deposits mean that a relatively small adverse price movement in a contract may result in immediate and substantial losses to the investor. For example, if at the time of purchase ten percent of the price of a futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the value of margin deposit before any deduction for the brokerage commission. Thus, like other leveraged investments, any purchase or sale of a futures contract, forward or other derivatives may result in losses in excess of the amount invested.

Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the net asset value of the units in a Fund to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the net asset value of the units in a Fund may decrease more rapidly than would otherwise be the case. Any event which adversely affects the value of an investment made by a Fund would be magnified to the extent that Fund is leveraged.

#### (ix) Liquidity Risk

Liquidity risk exists when the sale of assets or exit of trading positions is impaired by such factors as decreased trading volume, increased price volatility, industry and government regulations, and overall position size and complexity. It may be impossible or costly for a Fund to liquidate positions rapidly particularly if there are other market participants seeking to dispose of similar assets at the same time or the relevant market is otherwise moving against a position or in the event of trading halts or daily price movement limits on the market or otherwise. Derivative transactions that are particularly large or traded off market (i.e. over the counter) and bonds traded in the secondary market may be less liquid and it may be difficult to achieve fair value on transactions (see 'Valuation Risk'). Closing positions held in the secondary markets prematurely, for instance to meet client redemption requests, can result in increased transaction costs which will be reflected in the investment returns.

#### (x) Legal and Regulatory Risk

Legal, tax and regulatory changes could occur during the term of a Fund.

Over recent years global financial markets have undergone pervasive and fundamental disruption and regulators in many jurisdictions have implemented or proposed a number of regulatory measures and may continue to do so. For example, the regulatory and tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by a Fund and the ability of a Fund to pursue its trading strategies (by way of example short selling bans). Further, legislation and regulation may render a transaction, to which a Fund is a party, void or unenforceable.

These interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed in the future and/or the effect of such restrictions on global markets and the Manager's ability to implement a Fund's investment objectives.

#### (xi) Market Risk

The price of a Fund's investments, including, without limitation, fixed income securities, equities and all derivative instruments, can be highly volatile. Price movements of fixed income securities, equities, forward

contracts, derivatives contracts and other instruments in which a Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies (see 'Legal and Regulatory Risk'). Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations (see 'Interest Rate and Currency Risk'). Additionally, prices of equities fluctuate daily and can be influenced by many micro and macro factors such as political and economic news, corporate earnings report, demographic trends and catastrophic events. The value of equities will go up and down and the value of a Fund investing in equities could incur significant losses.

#### (xii) Potential Implications of Brexit

On 31 January 2020 the UK formally withdrew and ceased being a member of the EU.

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 this Agreement may result in uncertainty in its application and periods of volatility in both the UK and wider European markets. 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.

#### (xiii) Euro and Euro Zone 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 UK's referendum on 'Brexit' has 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 Euro zone countries could lead to the reintroduction of national currencies in one or more Euro zone 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. Unitholders should carefully consider how any potential changes to the Euro zone and EU may affect their investment in a Fund.

#### (xiv) Financial Corporate Bond Risk

Corporate bonds issued by a financial institution in the EU or the UK may be subject to the risk of a write down or conversion (i.e. "bail-in") by an EU or UK authority (as applicable) 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 EU member state or UK authorities exercising powers to rescue troubled banks by writing down or converting rights of their bondholders in order to absorb losses of, or recapitalise, such banks. Investors should be alerted to the fact that EU member state and UK 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 as EU member state and UK 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 EU or UK 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.

(xv) New Issues

Funds may invest in initial public offerings or new debt issues. The prices of securities involved in initial public offerings or new debt issues are often subject to greater and more unpredictable price changes than more established securities.

(xvi) Settlement Risk

Settlement risk is the risk that a counterparty fails to deliver the terms of a contract (i.e. defaults at settlement) and of any timing differences in settlement between the two parties. Each Fund bears the risk of settlement default due to exposure to the risk of default of certain counterparties (see 'Credit Risk' and 'Counterparty Risk'). In addition, market practices in relation to the settlement of transactions and the custody of assets could provide increased risks (see also 'Market Risk' and 'Legal and Regulatory Risk').

(xvii) Tax

The information provided in section 25 is based, to the best knowledge of the Manager, upon tax law and practice as at the date of this Prospectus. Tax legislation, the tax status of the Manager and the Funds, the taxation of unitholders 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 UK or in any jurisdiction where a Fund is registered, marketed or invested could affect the tax status of the Funds, affect the value of the relevant Fund's investments in the affected jurisdiction, affect the relevant Fund's ability to achieve its investment objective, and/or alter the post-tax returns to unitholders. Where the Fund invests in derivatives the preceding sentence may also extend to the jurisdiction of the governing law of the derivative contract and/or the derivative counterparty and/or to the market(s) comprising the underlying exposure(s) of the derivative.

Where a Fund intends to qualify for and/or maintain a particular classification for tax purposes, that Fund may be required to comply with prescribed asset allocation rules in order to meet and/or maintain that classification. This may result in a Fund investing in particular asset classes in accordance with such rules. For example, in order to meet the 'qualifying investments' test and therefore be classified as a bond fund, a Fund must have more than 60% of the market value of its holdings in 'qualifying investments' such as government and corporate debt securities (as described further in section 25) and may be required, amongst other things, to omit exposure to property. Notwithstanding the tax classification, the Investment Manager and/or Investment Advisers shall have the discretion to manage each Fund as they see fit in accordance with that Fund's investment objective and policy and applicable investment restrictions. There is no guarantee that a Fund will qualify

for, or maintain, any particular tax classification in respect of any given accounting period.

The availability and value of any tax reliefs available to unitholders depend on the individual circumstances of unitholders. The information in section 25 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 situation and the tax effects of an investment in the Funds.

Where a Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the relevant Fund, the Manager, the Investment Manager, the Trustee and the administrator shall not be liable to account to any unitholder 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) 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.

(xviii) Valuation Risk

Financial instruments that are illiquid and/or not publicly traded may not have readily available prices and may therefore be difficult to value. Dealer supplied quotations or pricing models developed by third parties, the Manager, its affiliates and/or delegates, may be utilised in valuations and the calculation of the net asset value of each Fund. Such methodologies may be based upon assumptions and estimates that are subject to error. Investors should be aware that in these circumstances a possible conflict of interest may arise, as the higher the estimated valuation of the securities the higher the fees payable to the Manager, Investment Manager or the administrator. Any party providing valuation services may, in the absence of its negligence, be indemnified out of the property of the relevant Fund from all claims and losses which such party may incur directly or indirectly arising out of or in connection with the performance of such valuation services. In addition, given the nature of such investment, determinations as to their fair value may not represent the actual amount that will be realised upon the eventual disposal of such investments.

(xix) Cybersecurity

The Funds 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 NAV, impede trading, disrupt the ability of investors to subscribe for, exchange or redeem their units, 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, unitholder ownership of units, 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 Funds, 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. The Manager relies on its third party service providers for many of its 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 Manager or the Funds from cyber-attack.

(xix) 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, organised 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. Each 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 each 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 each Fund's Investments, whether or not such investments are involved in such man-made disaster.

The infectious respiratory illness caused by a novel coronavirus known as COVID-19 has had a profound impact on all aspects of society over the last two years. While there is a growing consensus in developed economies that the worst of the impact is now over, there is an expectation that travel restrictions, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, cancellations, supply chain disruptions, and lower consumer demand will create ongoing challenges. While widescale vaccination programmes are now in place in many countries and are having a positive

effect, the impact of COVID-19 continues to adversely affect the economies of many nations across the entire global economy and this impact may be greater where vaccination rates are lower, such as in certain emerging markets. While it is difficult to make timing predictions, it is expected that the economic effects of COVID-19 will continue to be felt for a period after the virus itself has moved from being pandemic to endemic in nature and this in turn may continue to impact investments held by the Funds.

(xx) Reference Rate Risk

Certain of the Funds' investments, benchmarks and payment obligations may be based on floating rates, such as the Sterling Overnight Index Average ("SONIA"), European Interbank Offer Rate ("EURIBOR") and other similar types of reference rates ("Reference Rates"). The elimination of a Reference Rate or any other 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 the Fund's performance and/or net asset value.

## **(b) Risks associated with investment techniques**

### **(i) Equities**

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.

### **(ii) Delayed Delivery Transactions**

Each Fund that invests in fixed income transferable securities may purchase "To Be Announced" securities ("TBAs"), for example US mortgages. This generally refers to a forward contract on a pool of mortgages in which the specific mortgages are not announced and allocated prior to a specified delivery date. TBAs are not settled at the time of purchase, which 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 and exposes a Fund to additional counterparty default risk. A Fund 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.

### **(iii) Derivatives (General)**

In accordance with the investment restrictions set out in Appendix 3, each of the Funds may use derivatives for the purposes of "Efficient Portfolio Management" (also known as "EPM") in order to reduce risk and/or costs and/or generate additional income or capital for each of the Funds, as further described in Appendix 3.

In addition to using derivatives for the purposes of EPM and/or to hedge market and currency risk for the purposes of EPM, BlackRock Dynamic Return Strategy Fund, BlackRock Sustainable Sterling Strategic Bond Fund, BlackRock ESG Strategic Growth Fund, MyMap 3 Fund, MyMap 3 Select ESG Fund, MyMap 4 Fund, MyMap 4 Select Income Fund, MyMap 5 Fund, MyMap 5 Select ESG Fund, MyMap 6 Fund, MyMap 7 Select ESG Fund, BlackRock Systematic Multi Allocation Credit Fund and BlackRock Sustainable Sterling Short Duration Credit Fund may use complex derivative strategies in pursuit of its investment objective and policy, as set out

in Appendix 1. In particular, BlackRock Dynamic Return Strategy Fund, BlackRock Sustainable Sterling Strategic Bond Fund and BlackRock ESG Strategic Growth Fund may use derivatives to facilitate complex investment strategies including the creation of synthetic short positions to take advantage of negative investment views, using synthetic long positions to gain market exposure or a combination of long and short strategies to implement investment views in respect of one or more issuers, whilst neutralising market exposure within the transaction.

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

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

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities and leveraged positions can therefore increase Fund volatility. Whilst the Funds will not borrow money to leverage they may for example take synthetic short positions through derivatives to adjust their exposure, always within the restrictions provided for in Appendix 3.

Certain Funds may enter into long positions executed using derivatives such as futures positions including currency forwards. Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where a Fund's credit exposure to its counterparty under a derivative contract is not fully collateralised but each Fund will continue to observe the limits set out in Appendix 3. The use of derivatives may also expose a Fund to legal risk, which is the risk of loss resulting from changing laws or from the unexpected application of a law or

regulation, or because a court declares a contract not legally enforceable.

Funds may use derivatives to facilitate complex management techniques. In particular, this may involve:

- (i) using swap contracts to adjust interest rate risk;
- (ii) using currency derivatives to buy or sell currency risk;
- (iii) buying and selling options for investment purposes;
- (iv) using credit default swaps to buy or sell credit risk;
- (v) using volatility derivatives to adjust volatility risk;
- (vi) using contracts for difference to gain market exposure;
- (vii) using synthetic short positions to take advantage of any negative investment views; and
- (viii) using synthetic long positions to gain market exposure.

Market leverage obtained through derivatives is expressed through a Fund's gross market exposure to the underlying reference assets of the derivatives contracts. Gross market exposure may vary although, a Fund's global exposure, which is the aggregate sum of its obligations under the derivative contracts, shall not exceed the total net value of the Fund. Furthermore, a Fund's overall risk exposure will remain within the limits imposed by the COLL Sourcebook, as further described in Appendix 3. The Manager's current policy concerning the use of derivatives to gain market leverage is disclosed within the relevant product literature which is available on request.

Where derivative instruments are used in this manner the overall risk profile of a Fund may be increased. Accordingly the Manager will employ a risk-management process which enables the Manager to monitor and measure at any time the risk of the derivative positions and their contribution to the overall risk profile of a Fund. In these circumstances, the Manager applies a "Value at Risk" approach to calculate a Fund's global exposure and to ensure it complies with the investment restrictions set out in Appendix 3.

The Manager uses a risk management process, to monitor and measure as frequently as appropriate the risk of a Fund's portfolio and contribution of the underlying investments to the overall risk profile of the Fund.

Where consistent with its investment objectives and policy a Fund may utilise, directly or indirectly (for example through investment in another fund) a variety of exchange traded and OTC derivative instruments including, call options, put options, stock index options, credit default swaps, credit linked notes, equity default swaps, total return swaps, asset swaps, interest rate swaps, contracts for difference<sup>4</sup>, swaptions, warrants, forward contracts and future contracts, for hedging purposes and to reduce risk.

Losses in excess of the amount invested may be incurred from investment in such derivative instruments due to low margin deposits creating leverage which is typically associated with investment in such instruments. These instruments may be sensitive to small price movements, may be considered illiquid and could be difficult to price under certain market conditions.

#### (iv) Derivative Strategies

A Fund's exposure to derivative strategies will mainly be obtained directly or indirectly through related: (i) transferable securities and money market instruments; (ii)

<sup>4</sup> The use of contracts for difference is applicable only in respect of BlackRock Dynamic Return Strategy Fund, BlackRock Global Long / Short Equity Fund,



units of closed-ended investment companies; (iii) financial instruments linked or backed to the performance of underlying financial instruments; (iv) UK UCITS and/or other undertakings for collective investment investing in these strategies and financial instruments; and (v) financial derivatives instruments on these financial instruments.

The strategies may involve a degree of illiquidity (see 'Liquidity Risk') as well as a potentially high level of leverage, and be represented by physical and/or synthetic short selling. Their magnitude will depend on the exposure taken by the relevant Fund and certain or unexpected market conditions.

#### (v) Forward Contracts

The Manager or its delegates may enter into forward contracts and options on behalf of a Fund which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Counterparties with whom a Fund may maintain accounts may require a Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. A Fund's counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration (see 'Liquidity Risk'). There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, which potentially reduces liquidity (see 'Liquidity Risk'). The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Manager would otherwise recommend, to the possible detriment of a Fund (see 'Legal and Regulatory Risk'). Additionally, disruptions can occur in any market traded by a Fund due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to a Fund. In addition, a Fund may be exposed to credit risks with regard to counterparties with whom it trades as well as risks relating to settlement default (see 'Credit Risk', 'Counterparty Risk' and 'Settlement Risk'). Such risks could result in substantial losses to a Fund.

#### (vi) Futures

Futures are standardised contracts between two parties to buy or sell a specified asset or index with a standardised quantity for a price agreed upon today with delivery and payment occurring at a future delivery date.

They are negotiated on an exchange acting as an intermediary between parties.

A Fund may enter into futures transactions as either the buyer or seller and may combine them to form a particular trading strategy as well as use futures for reducing an existing risk.

Futures positions may be illiquid (see 'Liquidity Risk') because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations or an exchange or the Commodity Futures Trading Commission may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Investments in futures may also involve the following non-exhaustive list of risks see 'Market Risk', 'Settlement Risk'.

#### (vii) Hedging Techniques

Hedging techniques could involve a variety of derivative transactions (see 'Derivatives (General)'). As a result, hedging techniques involve different risks than those of

underlying investments, including liquidity risk and the potential for loss in excess of the amount invested. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of a Fund's positions. In addition, although the contemplated use of these techniques should minimize the risk of loss due to a decline in the value of the hedged position, at the same time they may limit any potential gains resulting from an increase in the value of such positions. The ability of a Fund to hedge successfully will depend on the Manager's, or its delegate's, ability to predict pertinent market movements, and as a consequence there can be no assurance that hedging transactions will be successful in protecting against adverse market and/or currency movements.

#### (viii) Risk of Currency Hedging

While a Fund may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency exposure of the underlying assets and the currency exposure of the hedging instrument. The hedging strategies may be entered into whether the base currency is declining or increasing in value relative to the relevant currency of the underlying asset, and so, where such hedging is undertaken, it may substantially protect unitholders against a decrease in the value of the base currency relative to the underlying asset currency, but it may also preclude unitholders from benefiting from an increase in the value of the base currency. Non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could further affect the volatility of the underlying asset currencies. All gains/losses or expenses arising from hedging transactions are borne by the unitholders.

#### (ix) Investment in UK UCITS and/or Other Collective Investment Schemes

A Fund may invest a proportion of its scheme property (subject to the limits set out in section 4 of Appendix 3) in the units of UK UCITS and/or other collective investment schemes that are managed by the Manager or by an associate (as defined by the FCA) in which case no subscription or redemption fees may be charged to the Funds in accordance with the rules in the COLL Sourcebook. In addition, in relation to UK UCITS and/or other collective investment schemes managed by the Manager or by an associate (as defined by the FCA), either no annual management charge will be charged to the Funds or a full retrocession of the annual management charge shall be returned to the Funds. However, where a Fund invests in units of UK UCITS and/or other collective investment schemes not managed by the Manager or by an associate (i.e. managed by a third party manager), it may be required to pay subscription or redemption fees and any other fees (including management fees).

#### (x) Options

An option is the right (but not the obligation) to buy or sell a particular asset or index at a stated price at some date in the future. In exchange for the rights conferred by the option, the option buyer has to pay the option seller a premium for carrying on the risk that comes with the obligation. The option premium depends on the strike price, volatility of the underlying, as well as the time remaining to expiration. Options may be listed or dealt in OTC.

A Fund may enter into option transactions as either the buyer or seller of this right and may combine them to form a particular trading strategy as well as use options for reducing an existing risk.

If the Manager or its delegate is incorrect in its expectation of changes in the market prices or determination of the

correlation between the instruments or indices on which the options are written or purchased and the instruments in a Fund's investment portfolio, that Fund may incur losses that it would not otherwise incur.

The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing his entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security.

The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

Investment in options may involve the following non-exhaustive list of risks, see 'Market Risk', 'Settlement Risk', 'Counterparty Risk', 'Liquidity Risk'. Their magnitude will depend on the exposure taken by a Fund and certain or unexpected market conditions.

#### (xi) OTC Transactions

There is less governmental regulation and supervision of transactions in OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies and other types of derivative instruments are generally traded) than organised stock exchanges. Many of the protections afforded to transactions on organised exchanges such as the performance guarantee of an exchange clearing house may not exist for OTC transactions. The risk of counterparty default therefore exists (see 'Counterparty Risk' and 'Credit Risk').

The Manager or its delegates will continuously assess the credit and counterparty risk as well as the potential risk, which for trading activities is the risk resulting from adverse movements in the level of volatility of market prices and will assess the hedging effectiveness on an ongoing basis. They will define specific internal limits applicable to these kinds of operations and monitor the counterparties accepted for these transactions. Further, in contrast to exchange traded instruments, forward, spot and option contracts on currencies do not provide the Manager or its delegate with the possibility to offset a Fund's obligations through an equal and opposite transaction. For this reason when entering into forward, spot or options contracts, a Fund may be required

and must be able to perform its obligations under the contracts.

#### (xii) Short Selling

A Fund may engage in short selling. Short selling involves selling securities which may be owned, or may not be owned and borrowing the same securities with an obligation to replace the borrowed securities at a later date, for delivery to the purchaser. Short selling allows the investor to profit from a decline in the value of securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position.

Typically funds introduce short selling by selling the physical stock, or using instruments such as swaps, futures and options.

#### (xiii) Swap Transactions

Swap transactions are privately negotiated OTC derivative products in which two parties agree to exchange payment streams of a notional amount in relation to an asset or index. The notional amount is usually not exchanged between counterparties. By consequence, cash or collateral may be required.

Swaps transactions can typically either be in the form of a credit default swap, a contract for difference, an interest rate swap, a total return swap and an interest rate swaption. A Fund may enter into swap transactions as either the buyer or seller of this right and may combine them to form a particular trading strategy as well as using swap transactions for reducing an existing risk.

A credit default swap allows the transfer of default risk. This allows investors to effectively buy insurance on a bond they hold (hedging the investment) or buy protection on a bond they do not physically own where the investment view is that the stream of coupon payments required will be less than the payments received due to the decline in credit quality.

A contract for difference<sup>5</sup> is a contract between two parties, typically described as the buyer and the seller stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time (if the difference is negative, the buyer pays the seller instead).

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

Where a Fund enters into interest rate or total return swaps on a net basis, the two payment streams are netted out, with each party receiving or paying, as the case may be, only the net amount of the two payments. Interest rate or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that a Fund is contractually obligated to make (or in the case of total return swaps, the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments). If the other party to an interest rate or total return swap defaults, in normal

<sup>5</sup> The use of contracts for difference is applicable only in respect of BlackRock Dynamic Return Strategy

circumstances each Fund’s risk of loss consists of the net amount of interest or total return payments that each party is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

Certain Funds may also buy or sell interest rate swaption contracts. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.

If the Manager or its delegate is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of a Fund would be less favourable than it would have been if these investment techniques were not used.

Illiquidity in the swaps market may prevent a Fund from being able to roll its swap positions on expiry which in turn may result in a Fund being temporarily unable to pursue its investment objective. In addition the market for credit default swaps may sometimes be more illiquid than bond markets (see ‘Liquidity Risk’).

The investment in options may also involve the following non-exhaustive list of risks; see ‘Market Risk’, ‘Credit Risk’, ‘Counterparty Risk’. Their magnitude will depend on the exposure taken by the relevant Fund and certain or unexpected market conditions.

(xiv) When Issued and Forward Commitment Securities

A Fund may purchase “when-issued” securities and may contract to purchase or sell securities for a fixed price at a future date beyond the usual settlement time. When-issued securities are securities that have been authorized, but not yet received and can be used to hedge against anticipated changes in interest rates and prices or for speculative purposes.

Forward commitment transactions involve a commitment by a Fund to purchase or sell securities at a future price and date.

The purchase of such securities involves the risk of the value of the security being purchased declining before the purchase date. Equally the sale of securities on a forward commitment basis can expose a Fund to the risk of the value of the security being sold increasing prior to settlement. Such securities may be disposed of prior to settlement if deemed appropriate by the Manager.

(xv) ESG Policy Risk for Underlying Funds

Where an underlying fund applies an ESG policy, the underlying fund will, in addition to other investment criteria set out in its investment policy, take into account, in accordance with that policy, ESG characteristics when selecting the underlying fund’s investments. Investors should refer to each relevant underlying fund’s ESG policy for more information.

An underlying fund’s ESG policy is expected to include the application of ESG-based exclusionary criteria which may result in such underlying 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 an underlying fund’s investment performance and an underlying fund may perform differently compared to similar funds that do not apply such criteria. If the underlying fund’s manager assessment of ESG characteristics of a security changes, guiding that manager to sell a security already held or to buy a security not held, none of the Fund, the Manager, the Investment Manager or their affiliates, or the underlying fund’s manager accept liability in relation to that assessment. Furthermore, investors should note that relevant exclusions might not correspond directly with investors’ own subjective ethical views.

In assessing a security, issuer or index based on ESG characteristics, the underlying fund’s 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 the Fund, 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.

(c) Fund specific risk factors

The above risks should be considered for all Funds. There are other risks that unitholders should also bear in mind when considering investment into specific Funds. The table in this section indicates those risks that should be considered in respect of a Fund and the risk factors are detailed below.

	Distressed Securities	Emerging Markets / Frontier Markets	Fixed Income Transferable Securities	Restrictions on Foreign Investment	Smaller Companies	Sovereign Debt	Investment in the PRC via the Stock Connect	Risks relating to the application of ESG criteria
<b>BlackRock Dynamic Return Strategy Fund</b>	x	x	x	x	x	x	x	
<b>BlackRock Sustainable</b>	x	x	x		x	x		

	Distressed Securities	Emerging Markets / Frontier Markets	Fixed Income Transferable Securities	Restrictions on Foreign Investment	Smaller Companies	Sovereign Debt	Investment in the PRC via the Stock Connect	Risks relating to the application of ESG criteria
<b>Sterling Strategic Bond Fund</b>								
<b>BlackRock ESG Strategic Growth Fund</b>		x	x	x	x	x	x	x
<b>MyMap 3 Fund</b>		x	x			x		
<b>MyMap 3 Select ESG Fund</b>		x	x			x		x
<b>MyMap 4 Fund</b>		x	x			x		
<b>MyMap 4 Select Income Fund</b>		x	x			x		
<b>MyMap 5 Fund</b>		x	x			x		
<b>MyMap 5 Select ESG Fund</b>		x	x			x		x
<b>MyMap 6 Fund</b>		x	x			x		
<b>MyMap 7 Select ESG Fund</b>		x	x			x		x
<b>BlackRock Systematic Multi Allocation Credit Fund</b>		x	x			x		x
<b>BlackRock Sustainable Sterling Short Duration Credit Fund</b>	x	x	x			x		x
<b>BlackRock LifePath Retirement Fund</b>		x	x		x	x		x
<b>BlackRock LifePath Target Date Fund 2030</b>		x	x		x	x		x
<b>BlackRock LifePath Target Date Fund 2035</b>		x	x		x	x		x
<b>BlackRock LifePath Target Date Fund 2040</b>		x	x		x	x		x
<b>BlackRock LifePath Target Date Fund 2045</b>		x	x		x	x		x
<b>BlackRock LifePath Target</b>		x	x		x	x		x

	Distressed Securities	Emerging Markets / Frontier Markets	Fixed Income Transferable Securities	Restrictions on Foreign Investment	Smaller Companies	Sovereign Debt	Investment in the PRC via the Stock Connect	Risks relating to the application of ESG criteria
Date Fund 2050								
BlackRock LifePath Target Date Fund 2055		x	x		x	x		x
BlackRock LifePath Target Date Fund 2060		x	x		x	x		x
BlackRock LifePath Target Date Fund 2065		x	x		x	x		x
BlackRock Global Smaller Companies Fund				x	x			

(i) Distressed Securities

Investment in a security issued by a company that is either in default or in high risk of default ("Distressed Securities") involves significant risk.

Such investments will only be made when the Investment Manager believes it is reasonably likely that the issuer of the securities will make an exchange offer or will be the subject of a plan of reorganisation; however, there can be no assurance that such an exchange offer will be made or that such a plan of reorganisation will be adopted or that any securities or other assets received in connection with such an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made. In addition, a significant period of time may pass between the time at which the investment in Distressed Securities is made and the time that any such exchange offer or plan of reorganisation is completed. During this period, it is unlikely that any interest payments on the Distressed Securities will be received, there will be significant uncertainty as to whether or not the exchange offer or plan of reorganisation will be completed, and there may be a requirement to bear certain expenses to protect the investing Fund's interest in the course of negotiations surrounding any potential exchange or plan of reorganisation. In addition, as a result of participation in negotiations with respect to any exchange offer or plan of reorganisation with respect to an issuer of Distressed Securities, the investing Fund may be precluded from disposing of such securities. Furthermore, constraints on investment decisions and actions with respect to Distressed Securities due to tax considerations may affect the return realised on the Distressed Securities.

The Manager, the Investment Manager or the Investment Adviser may exercise discretion to invest in securities of issuers that are encountering a variety of financial or earnings problems and represent distinct types of risks. A Fund's investments in equity or fixed income transferable securities of companies or institutions in weak financial condition may include issuers with substantial capital needs

or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

(ii) Emerging Markets / Frontier Markets

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 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.

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. The Trustee is responsible for the proper selection and supervision of its correspondent banks and sub-custodians in all relevant markets in accordance with UK applicable law and regulation.

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.

#### (iii) Fixed Income Transferable Securities

Debt securities are subject to both actual and perceived measures of creditworthiness. The amount of credit risk is measured by the issuer's credit rating which is assigned by one or more independent rating agencies. This does not amount to a guarantee of the issuer's creditworthiness but provides a strong indicator of the likelihood of default. Securities which have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. Companies often issue securities which are ranked in order of seniority which in the event of default would be reflected in the priority in which investors might be paid back. 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.

Non-investment grade debt may be highly leveraged and carry a greater risk of default

A Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect a Fund's asset values as the prices of fixed rate securities generally

increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Fund may experience losses and incur costs. In addition, non-investment grade securities tend to be more volatile than higher rated fixed-income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed-income securities.

#### (iv) Restrictions on Foreign Investment

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

#### (v) Smaller Companies

The securities of smaller companies tend to be more volatile and less liquid than the securities of large companies. As securities of smaller companies may experience more market price volatility than securities of larger companies, the Net Asset Value of any Funds which invest in smaller companies may reflect this volatility. Smaller 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 less



diversified product lines making them susceptible to market pressure and may have a smaller public market for their securities.

Investment in smaller companies may involve relatively higher investment costs and accordingly investment in Funds which invest in smaller companies should be viewed as a long-term investment. Such Funds may however dispose of an investment made by them 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.

(vi) Sovereign Debt

Certain countries are large debtors. Investment in debt obligations ("**Sovereign Debt**") issued or guaranteed by governments or their agencies and instrumentalities ("**governmental entities**") may involve a high degree of risk. The governmental entities that control the repayment of Sovereign Debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject.

Governmental entities may also be dependent on expected disbursements from other governments, multilateral agencies and others to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their Sovereign Debt. Holders of Sovereign Debt, including a Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which Sovereign Debt on which a governmental entity has defaulted may be collected in whole or in part.

(vii) Investment in the PRC via the Stock Connect

Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by HKEX, SSE and China Clear with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Stock Connect Funds), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SSE by routing orders to SSE. Under the Southbound Trading Link investors in the PRC will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and CSRC on 10 November 2014 the Stock Connect commenced trading on 17 November 2014.

Funds investing in the PRC may invest in China A Shares trading on the Shanghai Stock Exchange via Stock Connect.

The Stock Connect is a programme that links the Shanghai Stock Exchange and the SEHK. Under the programme, investors can access the Shanghai Stock Exchange via the Hong Kong Central Clearing and Settlement System (CCASS) maintained by the HKSCC as central securities depository in Hong Kong. Investing in China A Shares via Stock Connect bypasses the requirement to obtain RQFII status which is required for direct access to the Shanghai Stock Exchange.

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).

Investment Thresholds for Stock Connect Funds

The Stock Connect Funds may invest no more than 10% of the relevant Fund's net asset value in the Stock Connect.

Legal / Beneficial Ownership

The China A Shares invested in via the Stock Connect will be held by the Trustee in accounts in the Hong Kong Central Clearing and Settlement System (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 CSDCC. 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.

Clearing and Settlement Risk

HKSCC and CSDCC will establish the clearing links and each will 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, CSDCC operates a comprehensive network of clearing, settlement and stock holding infrastructure. CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of CSDCC default are considered to be remote. In the remote event of a CSDCC default, HKSCC's liabilities in respect of China A Shares invested in via the Stock Connect will be limited under its market contracts with clearing participants to assisting clearing participants in pursuing their claims against CSDCC. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from CSDCC through available legal channels or through CSDCC'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 CSDCC.

Suspension Risk

It is contemplated that both the SEHK and the Shanghai Stock Exchange would reserve 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 will only operate 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. So 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 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 Shanghai Stock Exchange 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. Because of this requirement, a Stock Connect Fund may not be able to dispose of its holdings of China A Shares in a timely manner.

#### 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 SEHK and the Shanghai Stock Exchange 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 Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. 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.

#### 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 restricted from being bought. This may restrict the ability of the relevant Stock Connect Fund to acquire shares.

#### 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 the 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, 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.

#### (viii) Risks relating to the application of ESG criteria

The BlackRock Systematic Multi Allocation Credit Fund, BlackRock Sustainable Sterling Strategic Bond Fund, BlackRock Sustainable Sterling Short Duration Credit Fund, MyMap 3 Select ESG Fund, MyMap 5 Select ESG Fund, MyMap 7 Select ESG Fund and each LifePath Fund (together the "relevant Funds") will use certain ESG criteria in its investment strategy, as determined by the Investment Manager and as set out in its investment objective and policy in Appendix 1. The relevant Funds may use one or more independent data vendors to screen investment opportunities against ESG criteria, and the way in which the relevant Funds will apply ESG criteria may vary.

The use of ESG criteria may affect a fund's investment performance and, as such, the relevant Funds may perform differently compared to similar collective investment schemes that do not screen investment opportunities against ESG criteria. ESG based criteria used in the relevant Funds' investment policies may result in them foregoing certain investment opportunities when it might otherwise be advantageous to do so, and/or selling investments due to their ESG characteristics when it might be disadvantageous to do so.

Where the Investment Manager exercises its discretion to select collective investment schemes that apply or purport to apply ESG criteria or requirements, the Investment Manager, the Trustee, the Manager or the relevant independent data vendor, cannot guarantee the compatibility of investments made by such collective investment schemes with any relevant ESG criteria or requirements stated in the investment objectives and/or policies of such collective investment schemes. Subject to the investment objective and investment policy (including the ESG policy or any ESG commitments (as applicable)) of the relevant Fund, where the Investment Manager is of a view that any such collective investment scheme has ceased to be appropriate for characterisation as an ESG investment, the relevant Fund may continue to hold such investment or divest from it in accordance with the investment policy of the relevant Fund. In addition, each relevant Fund may, for liquidity management or other purposes, gain exposure to securities and other assets that can be turned into cash quickly, but in respect of which no specific ESG criteria or requirements are applied.

Investor sentiment towards issuers which are perceived as being ESG conscious or attitudes towards ESG concepts generally may change over time which may affect the demand for products that apply ESG criteria such as the relevant Funds and may also affect their performance. In the event the ESG characteristics of an investment held by the each of relevant Funds changes, resulting in the Investment Manager having to sell the investment, neither the relevant Fund, the Investment Manager, the Trustee, nor the Manager accept liability in relation to such change.

In evaluating an investment based on ESG criteria, the Investment Manager is dependent upon information and data sourced from a selection of independent data vendors, which may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may incorrectly assess an investment opportunity. There is also a risk that the Investment Manager may not apply the relevant ESG criteria correctly or that the relevant Funds could have indirect exposure to issuers who do not meet the relevant ESG criteria used by each Fund (as appropriate). None of the relevant Funds, the Investment Manager, the Trustee nor the Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such ESG criteria or the way in which it is implemented.

Regulation and market practice relevant to the application of ESG criteria in the portfolio management of the relevant Funds and to the disclosure of such criteria in the documentation of the relevant Funds (as appropriate) is expected to evolve over time, and accordingly the ESG methodologies applied in managing such Funds' assets and the way in which these are disclosed will be reviewed and developed over time.

Data providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data they provide. 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. As such, errors may potentially result in a negative or positive performance impact to the relevant Funds and, by extension, impact its respective unitholders. Unitholders should understand that any gains resulting from such data providers' errors will be retained by each Fund and their respective unitholders as relevant and any losses resulting from such errors will be borne by the Fund and its respective unitholders as relevant. Additionally, if an error is identified and the composition of the relevant portfolio is consequently adjusted to correct such error, any transaction costs (including any capital gains tax and/or transaction taxes) and market exposure resulting from such adjustments will be borne by each Fund and its respective investors as relevant.

## 25. Taxation

The following summary is intended to offer some guidance to persons (other than dealers in securities) on the current UK taxation of authorised unit trusts and their unitholders. It should be noted that the existing legislation may change in future. This summary should not be regarded as definitive, nor as removing the desirability of taking separate professional advice. If unitholders are in any doubt as to their taxation position, they should consult their professional advisers.

### (a) The Funds

In respect only of income, authorised unit trusts are taxed as "investment companies" which means that franked income (dividends received from a UK resident company) is not taxed in the unit trust as it has been paid out of profits which have already been taxed. The majority of overseas dividends received by authorised unit trusts from non-UK companies should also be exempt from UK tax. They are liable to pay corporation tax on their other income after deduction of allowable expenses. Authorised unit trusts are not normally liable to corporation tax on their capital gains arising from the disposal of investments.

If a Fund invests more than 60% of its market value in cash, gilts, corporate bonds and similar assets, rather than equities, at all times during a distribution period, it may pay interest distributions. The gross interest distribution can be relieved as an expense against the income of the Fund.

Where a Fund holds an investment in any other UK or offshore fund that during the Fund's accounting period is invested primarily in cash, gilts, corporate bonds and similar assets, any movements in that holding will be taxed as income of the Fund for the period concerned. In addition, any dividends paid by such fund will be taxed as interest income. Where the offshore fund is not certified by HM Revenue & Customs ("HMRC") as a reporting fund, the Fund may not be exempt from tax on gains realised on disposal of the interest in the offshore fund. Units in a Fund shall be widely available to the investors that meet the investment criteria. Units in the Fund shall be marketed and made available sufficiently widely to reach the investors, and in a manner appropriate to attract them.

Authorised unit trusts are subject to corporation tax at the basic rate at which income tax is charged, which is currently 20%. For investments overseas, credit may be available (by offset against any UK tax liability or by reducing the overseas dividend by the underlying foreign tax suffered) for some or all of the overseas tax suffered, to minimise any double tax charge suffered by the trust.

Investments held by the Funds will be accounted for and taxed in accordance with the Statement of Recommended Practice for authorised unit trusts. It is the intention of the Manager that all assets held by the Funds will be held for investment purposes and not for the purposes of trading. Furthermore, it is considered that the majority of the investments held by the Funds should meet the definition of an "investment transaction" as defined by the Authorised Investment Funds (Tax) (Amendment) Regulations 2009 ("the regulations"). Therefore, it is considered that the likelihood of HMRC successfully arguing that the Funds are trading is minimal. This assumption is on the basis that the Funds meet the "genuine diversity of ownership" condition as outlined in the regulations. For this purpose, units in each of the Funds shall be widely available. The intended categories of the investors are those set out in section 32(a). Units in the Funds shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

In the unlikely event that HMRC successfully argues that the Funds were trading in relation to the investments held, this may lead to tax payable within the Funds that investors may not be able to offset or recover.

### (b) Tax elected funds ("TEFs")

Where a Fund elects to be treated as a TEF, it should not be subject to UK corporation tax on the income it receives.

As at the date of this prospectus, none of the Funds are TEFs. The Manager has no immediate intention to elect any of the Funds to be treated as a TEF, however the Manager reserves the right to determine, at its absolute discretion, that it would be beneficial to do so in the future, in which case the Manager may apply to HM Revenue & Customs to elect for



one or more of the Funds to be a TEF. If the Manager does determine to make such an election, it will give advance notification to unitholders in the affected Fund or Funds of that Fund's TEF election, prior to this TEF election becoming effective.

### **(c) The unitholder**

Distributions can be paid either as a dividend or as an interest distribution depending on whether a Fund is classified as a bond or an equity fund. A Fund will be regarded as a bond fund if throughout the period between income allocation dates more than 60% of the market value of the Fund's holdings are in debt instruments. If this test is not passed the Fund will be an equity fund. A distribution from an equity fund can only be paid as a dividend. A £1,000 (2023/2024) dividend allowance applies for UK individuals. Dividends received in excess of this threshold will be taxed at the following rates.

Basic rate taxpayers will be liable to tax on dividend distributions at the ordinary rate of 8.75%. Higher-rate taxpayers will be liable to tax on dividend distributions at the higher rate of 33.75%.

Additional rate taxpayers will be liable to tax on dividend distributions at the additional rate of 39.35%. UK resident corporate unitholders must split their dividend distributions into franked and unfranked income portions according to the percentage split disclosed on the tax voucher provided to unitholders.

Accumulation unitholders will be liable to tax on their income as if they had received cash on the pay date.

Interest distributions received in excess of personal savings allowance will be taxed at the following rates: Basic rate taxpayers are liable to basic rate of 20%, higher rate taxpayers are liable at the higher rate of 40% and additional rate taxpayers are liable at the additional rate of 45%.

Persons within the charge to UK corporation tax should note that if at any time in an accounting period such a person holds a unitholding in a Fund and there is a time in that period when that Fund fails to satisfy the "qualifying investments" test, the unitholding held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime.

A Fund fails to satisfy the "qualifying investments" test at any time when more than 60% of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "qualifying investments" test or other interest-bearing securities. On the basis of the investment policies of the Funds, the Funds could invest more than 60% of their assets in government and corporate debt securities or as cash on deposit or in certain derivative contracts or in other non-qualifying collective investment schemes and hence could fail to satisfy the "qualifying investments" test. In that eventuality, the units will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the units in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or

expense on a "fair value accounting" basis. Accordingly, such a person who acquires units in the Funds may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of units).

Any gains arising on disposal of units including a switch of units between unit trusts are potentially subject to tax on the capital gain (although conversions between classes of units in the same unit trust may not give rise to a disposal for UK capital gains tax purposes). For UK resident individuals the first £6,000 (2023/2024) of chargeable gains, from all sources is exempt from tax.

Investors who are insurance companies subject to UK taxation may be deemed to dispose of and immediately reacquire their holding at the end of each accounting period.

### **(d) Foreign Account Tax Compliance Act ("FATCA")**

An agreement (the "US-UK IGA") was entered into between the US and the UK which imposes a reporting regime and potentially a 30% withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets to a non-US financial institution (a "foreign financial institution" or "FFI") that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions ("reporting financial institutions") are required to provide certain information about their US accountholders to HMRC (which information will in turn be provided to the US tax authority) pursuant to UK regulations implementing the US-UK IGA. The Funds constitute reporting financial institutions for these purposes. Accordingly, the Funds are required to provide certain information about their US unitholders to HMRC (which information will in turn be provided to the US tax authorities) and are also required to register with the US Internal Revenue Service. It is the Manager's intention to procure that the Funds are treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the US-UK IGA. No assurance can, however, be provided that the Funds will be able to comply with FATCA and, in the event that they are not able to do so, a 30% withholding tax may be imposed on payments they receive from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to them to make payments to their unitholders.

A number of jurisdictions have entered into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. This will require the Funds to provide certain information to HMRC about unitholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).

In light of the above, unitholders in the Funds will be required to provide certain information to the Funds to comply with the terms of the UK regulations. Please note that the Manager has determined that US Persons are not



permitted to own units in the Funds, see section 12(h) of this prospectus.

## 26. Equalisation

Included in the price or prices of units will be an income equalisation amount representing the value of income attributable to the unit accrued since the record date for the last income allocation. Being capital, the income equalisation amount included in the issue or purchase price (as applicable) of the units, is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

The Trust Deed permits grouping of units for equalisation, which arises in respect of those units purchased during an income allocation period. Such units carry an entitlement to equalisation which is the amount arrived at on an average basis of the accrued net income per unit included in the issue or purchase price (as applicable) of units purchased during the income allocation period.

## 27. Charges

The current charges made for each Fund are described below and are set out in Appendix 1. Units are available as set out in Appendix 1. On giving unitholders at least 60 days' written notice, the Manager may, where relevant, increase the preliminary charge or the annual management charge on a Fund provided any such increase does not constitute a fundamental change to that Fund. Any change to charges which constitutes fundamental change will require prior unitholder consent. For details of the categorisation of fundamental, significant and notifiable changes, please see section 29 of this prospectus.

### (a) Manager's charges

(i) In respect of Dual-Priced Funds, the **preliminary charge** will be included in the offer price of units.

In respect of Single-Priced Funds, the preliminary charge is payable in addition to the price or is deducted from the price and is taken from the gross subscription monies.

Details of the preliminary charge applicable to each unit class is available in Appendix 1 "Details of each of the Funds".

(ii) The **annual management charge** is payable to the Manager and charged to the relevant Fund. Details of the Annual Management Charge applicable to each unit class is available in Appendix 1 "Details of each of the Funds". The annual management charge accrues daily and is paid monthly in arrears on the last Business Day of each month and is normally charged against the income, although, subject to the COLL Sourcebook, and with the agreement of the Trustee, the Manager may alternatively charge some or all of this against the capital of a Fund. Unitholders should note that where the annual management charge is charged against capital this may result in capital erosion or constrain capital growth within a Fund. In relation to Dual-Priced Funds, this charge is calculated as a percentage of the

average of the issue and cancellation valuation of the Fund in respect of each Class of units.

No annual management charge is paid in relation to Class X units as holders of Class X units are charged outside of the relevant Fund by way of agreement with the Manager, the Principal Distributor or their affiliates (as applicable).

With effect from 6 October 2023, the Manager will apply discounts to the annual management charge for certain Funds and Unit classes when the relevant Fund reaches a specified size. By way of summary, this means that the annual management charge payable to the Manager will be charged at different rates across different tiers of the Fund's overall NAV. The purpose is to pass on to unitholders some of the benefit of the potential savings associated with the economies of scale which may be achieved through an applicable growth of assets under management of a Fund (i.e. when a Fund increases significantly in size). The discounts to the annual management charge are based on the NAV of a Fund. The Funds and Unit classes to which discounts are applied can be found in the table in Appendix 1 below and further information about the operation of the discounts can be found in the 'Discounts to the Annual Management Charge' section below.

### (iii) Discounts to the Annual Management Charge

With effect from 6 October 2023, for certain Funds and unit classes, the Manager will apply discounts to the annual management charge charged to the Funds as detailed in the tables in Appendix 1 where the relevant Fund reaches a certain size.

The discounts to the annual management charge that apply for a Fund are based on the size of the Fund, as measured by its total NAV. The discounts are applied in tiers with the rates determined by the proportion of the applicable Fund's total NAV that falls within the ranges shown in the table in Appendix 1. A weighted average of the overall discount rate is calculated from these rates and applied to the annual management charge. This means that only the proportion of the Fund's NAV that falls within each particular tier receives the applicable discount for that tier.

For the avoidance of doubt, for any unit classes in the Funds which have an annual management charge of "nil", no discount is applied to these unit classes.

### Numerical example

The Fund has the following discount schedule:

Fund NAV From	Fund NAV To	Incremental Discount to the Annual Management Charge ("AMC") (%)
£0	£1,000,000,000	Nil
£1,000,000,000	£3,000,000,000	5%
£3,000,000,000	£5,000,000,000	7%
£5,000,000,000	--	8%

The Fund currently has a NAV of £4,000,000,000 and 2 classes of units per the below:

	Class 1	Class 2	Total
<b>NAV</b>	£2,500,000,000	£1,500,000,000	£4,000,000,000
<b>AMC (before discount)</b>	1.00%	0.75%	

With a total NAV of £4,000,000,000 the Fund has:

- £1,000,000,000 where no discount is applied.
- £2,000,000,000 where a 5% incremental discount to the annual management charge (before discount) is applied.
- £1,000,000,000 where a 7% incremental discount to the annual management charge (before discount) is applied.
- These classifications are shown in the below exhibit (see Column A).

Column A	Column B	Column C	Column D
<b>Portion of NAV (£)</b>	<b>Portion of NAV (%)</b>	<b>Incremental Discount to the AMC (%)</b>	<b>Weighted Incremental Discount to the AMC (%)</b>
<b>£1,000,000,000</b>	25%	0%	0.00%
<b>£2,000,000,000</b>	50%	5%	2.50%
<b>£1,000,000,000</b>	25%	7%	1.75%
<b>Total weighted incremental discount to the AMC (%):</b>			<b>4.25%</b>

The resultant discounted AMC and saving for each class is:

	Class 1	Class 2
<b>AMC (before discount)</b>	<b>1.0000%</b>	<b>0.7500%</b>
<b>AMC (after discount)</b>	<b>0.9575%</b>	<b>0.7181%</b>
<b>Saving</b>	0.0425%	0.0319%

Please note that figures have been rounded to the nearest 0.0001% for the purposes of this worked example. In practice, any discounts applied to the annual management charge are calculated daily in line with the calculation of the annual management charge and the overall saving experienced will reflect the daily change in NAV of the Fund over the daily accrual period.

**Please note that a decline in the Fund's NAV could result in a reduction or removal of the discount applied. If the Fund's NAV declines to the "Nil" discount tier, no discount will be applied to the Fund's unit classes.**

The Manager reserves the right to change the NAV ranges at which discounts apply or the discount applied for any given NAV tier. In the event of any such change, the Manager will notify unitholders in writing in advance.

Information about the discounts that apply are shown on our website, [www.blackrock.com](http://www.blackrock.com), where you can locate and select the relevant Fund from the list of funds. The discount information on our website will be updated periodically. Alternatively, this information can be obtained by contacting us as shown below.

(iv) An **annual service charge** is payable to the Manager and charged to the relevant Fund. The annual service charge covers non-portfolio management related costs incurred and/or paid by the Manager in servicing unitholders in a Fund (e.g. transfer agency and administration costs) and is applied at a fixed rate (per unitholder) or calculated as a percentage of the valuation of a Fund in respect of each Class of units as set out in Appendix 1. The annual service charge accrues daily and is paid monthly in arrears on the last Business Day of each month and is normally charged against the income of the Fund, although, subject to the COLL Sourcebook, and with the agreement of the Trustee, the Manager may alternatively charge some or all of this charge against the capital of a Fund. Unitholders should note that where the annual service charge is charged against capital this may result in capital erosion or constrain capital growth within a Fund. In relation to Dual-Priced Funds, where this charge is calculated as a percentage, this is applied to the average of the issue and cancellation valuation of the Fund in respect of each Class of units.

#### **(b) Trustee's charges and custody charges**

The Trustee receives for its own account a periodic fee of 0.008075 per cent per annum plus a further fee split between a fixed fee of £4,250 and a scaled fee depending upon the Trustee's categorisation of the relevant Fund as follows:

- Category C oversight incurs the fixed fee plus 0.000425 per cent per annum
- Category B oversight incurs the fixed fee plus 0.00085 per cent per annum
- Category A oversight incurs the fixed fee plus 0.001275 per cent per annum

The Trustee determines the oversight categories as follows:

- Category C: Funds with less than 5 per cent exposure of holdings by assets under management to markets which the Trustee considers for its purposes to be higher risk;
- Category B: Funds with between 5 and 20 per cent exposure of holdings by assets under management to markets which the Trustee considers for its purposes to be higher risk; and
- Category A: Funds with more than 20 per cent exposure of holdings by assets under management to markets which the Trustee considers for its purposes to be higher risk.

In respect of BlackRock Dynamic Return Strategy Fund, the remuneration of the Trustee payable out of the property of that Fund consists of a periodic charge of 0.006% per annum of the value of that Fund's property where the total value of the Fund's property is below £1.75 billion, and a periodic charge of 0.002% per annum of the value of that Fund's property where the total value of the Fund's property is £1.75 billion or above plus a further fee split between a fixed fee of £5,000 and a scaled fee depending upon the Trustee's categorisation of its oversight responsibilities as above.

The Trustee's categorisation of the relevant Fund is not an assessment of the investment risk. Further information with respect to the categorisation of the Trustee charge is set out at Appendix 6 and can also be obtained from the Manager. The fee is payable out of the property of the

relevant Fund. The fee accrues on a daily basis and is payable monthly in advance within seven days of month end.

For Dual-Priced Funds, the scaled fee is calculated by reference to the arithmetic average of the daily bid and offer prices of the relevant Fund calculated in accordance with Section 13 and Section C of Appendix 4 of this Prospectus. The arithmetic average is the mid price which is arrived at by taking the sum of the bid and offer prices calculated on the last Business Day of each accrual period, divided by 2.

For Single-Priced Funds, the scaled fee is calculated in accordance with Section 13 and Section D of Appendix 4 of this Prospectus.

The current Trustee charge may be varied upon notice from time to time in accordance with the Trust Deed and the COLL Sourcebook.

The Trust Deed also authorises payment out of the property of the Funds of fees for custody services. The current custodial charges vary according to the location of the securities held, however the annual fees normally range, per annum, from 0.00325% (typically for UK securities) to 0.45% (for securities in certain emerging market countries) of the value of a Fund's property held in custody, and the transaction fees normally range from £7 to £99 per transaction. Such fees are subject to any value added tax payable thereon.

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Trustee and the Manager. Custody charges accrue and are payable as agreed from time to time by the Manager and the Trustee. Where a Fund invests in the units of a UK UCITS and/or other collective investment scheme that is managed by the Manager or by an associate (as defined by the FCA), the Manager will endeavour to negotiate (but does not guarantee) a reduction in any custodial fees applicable to such investment.

Where relevant, the Trustee may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the relevant Fund and may purchase or sell or deal in the purchase or sale of scheme property, provided always that the services concerned and any such dealing are in accordance with the provisions of the COLL Sourcebook.

The Trustee will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Trust Deed, the COLL Sourcebook or by the general law.

On a winding up of the relevant Fund the Trustee will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the Manager or any associate or nominee of the Trustee or of the Manager) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Trustee.

### **(c) Stamp Duty Reserve Tax ("SDRT")**

Prior to 30 March 2014, SDRT was levied on the dealing of units in unit trust schemes under Schedule 19 of the Finance Act 1999 ("Schedule 19") at the rate of 0.5% on the value of units surrendered. In order to increase the competitiveness of the asset management industry in the UK, the charge to SDRT under Schedule 19 has been abolished since 30 March 2014, and there is no SDRT charge levied on the surrender of units in unit trust schemes after this date.

### **(d) Other expenses**

The following other expenses will be reimbursed out of the property of a Fund (in accordance, where applicable, with section 1):

- (i) costs of dealing in the property of a Fund;
- (ii) interest on borrowings permitted by a Fund and related charges;
- (iii) taxation and duties payable in respect of the property of a Fund, the Trust Deed, the issue, surrender or transfer of units;
- (iv) any costs incurred in modifying the Trust Deed, including costs incurred in respect of meetings of unitholders convened for purposes which include the purpose of modifying the Trust Deed, where the modification is necessary or expedient by reason of changes in the law or to remove obsolete provisions;
- (v) any costs incurred in respect of meetings of unitholders convened on a requisition by unitholders not including the Manager or an associate of the Manager;
- (vi) unanticipated liabilities on unitisation, scheme of arrangement or reconstruction where the property of a body corporate or of another collective investment scheme is transferred to the Trustee in consideration of the issue of units in a Fund to shareholders in that body or to participants in that other scheme;
- (vii) the costs of preparation and distribution of reports, accounts, any prospectuses, key investor information documents (in the case of the key investor information documents only preparation and not distribution may be charged), the Trust Deed and any costs incurred as a result of changes to any prospectus or Trust Deed, periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of a Fund;

- (viii) the audit fee of the Auditor and value added tax thereon and any expenses of the Auditor as well as the fees of and expenses of third party tax, legal and other professional advisers;
- (ix) the fees of the FCA under Schedule 1 Part III of the Financial Services and Markets Act 2000 Act and the corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which units of a Fund are or may be marketed;
- (x) fees incurred in respect of entering into stock lending arrangements with stock lending agents; and
- (xi) the costs of establishing each Fund, which will be paid out of the assets of the respective Fund.

Fees, costs and duties which are not attributable to a particular Fund will usually be allocated between the Funds pro-rata to the NAV of each Fund or in accordance with another reasonable method at the Manager's discretion.

## 28. Conflicts of Interest

The Management Company 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 Management Company 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.

### (a) 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.

### (b) Conflicts of interest of the Management Company

#### Provider Aladdin

BlackRock Group uses Aladdin software as a single technology platform across its investment management business. Custodial and fund administration service providers may use Provider Aladdin, a form of Aladdin software, to access data used by the Investment Manager and Management Company. Each service provider remunerates BlackRock Group for the use of Provider Aladdin. A potential conflict arises whereby an agreement by a service provider to use Provider Aladdin incentivises the Management Company 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 Distributer may pay third parties for distribution and related services. Such payments could incentivise third parties to promote each 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.

#### Dealing Costs

Dealing costs are created when investors deal into and out of the 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.

### (c) 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

The Funds 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 for a client, the Investment Manager may invest in products serviced by BlackRock Group companies on behalf of other clients. BlackRock may also recommend services provided by BlackRock or its affiliates. Such activities could increase BlackRock's revenue. In managing this conflict, BlackRock

seeks to follow investment guidelines and has 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 Group 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 the Funds. 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 Policy.

#### (a) Other Conflicts

##### Securities Lending

To the extent specified for each Fund in Appendix 7, the Funds may engage in securities lending. There are potential conflicts of interests in managing a securities lending program, including but not limited to: (i) a member of BlackRock Group 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 Group; and (ii) a member of BlackRock Group as lending agent may have an incentive to allocate loans to clients that would provide more revenue to BlackRock Group. As described further below, BlackRock Group 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 Inc. indemnifies certain clients and/or funds against a shortfall in collateral in the event of borrower default. BlackRock Group's Risk and Quantitative Analytics Group ("RQA") calculates, on a regular basis, BlackRock Group's potential dollar exposure to the risk of collateral shortfall upon

counterparty default (“shortfall risk”) under the securities lending program for both indemnified and non-indemnified clients. On a periodic basis, RQA also determines the maximum amount of potential indemnified shortfall risk arising from securities lending activities (“indemnification exposure limit”) and the maximum amount of counterparty-specific credit exposure (“credit limits”) BlackRock Group is willing to assume as well as the program’s operational complexity. RQA oversees the risk model that calculates projected shortfall values using loan-level factors such as loan and collateral type and market value as well as specific borrower counterparty credit characteristics. When necessary, RQA may further adjust other securities lending program attributes by restricting eligible collateral or reducing counterparty credit limits. As a result, the management of the indemnification exposure limit may affect the amount of securities lending activity BlackRock Group may conduct at any given point in time and impact indemnified and non-indemnified clients by reducing the volume of lending opportunities for certain loans (including by asset type, collateral type and/or revenue profile).

BlackRock Group uses a predetermined systematic and fair process in order to approximate pro-rata allocation. In order to allocate a loan to a portfolio: (i) BlackRock Group as a whole must have sufficient lending capacity pursuant to the various program limits (i.e. indemnification exposure limit and counterparty credit limits); (ii) the lending portfolio must hold the asset at the time a loan opportunity arises; 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 Group seeks to provide equal lending opportunities for all portfolios, independent of whether BlackRock Group 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, and the overall limits imposed by BlackRock Group.

## 29. Changes to the Funds and Meetings of Unitholders

Changes to any Fund may be made in accordance with the method of classification described in sections (a), (b) and (c) below.

### (a) Fundamental change

A fundamental change is a change or event which:

- (i) changes the purpose or nature of the Fund; or
- (ii) may materially prejudice a unitholder; or
- (iii) alters the risk profile of the Fund; or
- (iv) introduces any new type of payment out of Fund property.

The Manager will obtain prior approval from unitholders to any fundamental change by way of an extraordinary resolution of the unitholders of the relevant Fund. See below for details of calling a meeting of unitholders.

### (b) Significant change

A significant change is a change or event which the Manager and Trustee have determined is not a fundamental change but is a change which:

- (i) affects a unitholder’s ability to exercise his rights in relation to his investment; or
- (ii) would reasonably be expected to cause a unitholder to reconsider his participation in the relevant Fund; or
- (iii) results in any increased payments out of Fund property to the Manager or any of its associate companies; or
- (iv) materially increases other types of payment out of Fund property.

The Manager will give unitholders at least 60 days’ notice in advance of implementing any significant change.

### (c) Notifiable change

A notifiable change is a change or event, other than a fundamental change or a significant change, which is reasonably likely to affect or have affected the operation of a Fund.

Depending on the nature of the change the Manager will inform unitholders of notifiable events either by:

- (i) sending of an immediate notification to unitholders; or
- (ii) publishing information about the change on BlackRock’s website; or
- (iii) including it in the next report for the Fund.

### (d) Notice

The Manager will write to unitholders at their registered postal or e-mail address (as applicable) to give notice of any fundamental change or significant change.

### (e) Meetings of unitholders

Rules for the calling and conduct of meetings of unitholders and the voting rights of unitholders at such meetings are governed by the COLL Sourcebook and the Trust Deed. At a meeting of unitholders a resolution put to the vote shall be decided on a show of hands unless a poll is demanded by the chairman, by the Trustee or by at least two unitholders present in person or by proxy. On a show of hands every unitholder who (being an individual) is present in person or, (being a corporation) is present by its representative properly authorised in that regard, has one vote. On a poll the voting right for each unit must be the proportion of the voting rights attached to all of the units in issue that the value of the unit bears to the aggregate value of all the units in issue. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

A corporation being a unitholder may authorise such a person as it thinks fit to act as its representative at any meeting of unitholders and the person so authorised shall be entitled to exercise the same powers on behalf of the

corporation which he represents as the corporation could exercise if it were an individual unitholder.

In the case of joint unitholders any joint unitholder may vote provided that if more than one votes the most senior unitholder in the Register who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint unitholders.

On a poll votes may be given either personally or by proxy. The Manager and its associates may hold units in the Funds. The Manager is entitled to receive notice of and attend any meeting but it is not entitled to vote or be counted in the quorum and its units are not regarded as being in issue in relation to such meetings. An associate of the Manager may be counted in the quorum and if in receipt of voting instructions may vote in respect of units held on behalf of a person who, if himself the registered unitholder, would be entitled to vote, and from whom the associate has received voting instructions.

### 30. Winding Up

A Fund may be wound up upon the happening of any of the following:

- (i) the order declaring it to be an authorised unit trust scheme is revoked; or
- (ii) in response to a request to the FCA by the Manager or the Trustee for the revocation of the order declaring it to be an authorised unit trust scheme the FCA has agreed, albeit subject to there being no material change in any relevant factor, that, on the conclusion of the winding up of a Fund, the FCA will accede to that request; or
- (iii) the effective date of a duly approved scheme of arrangement, which is to result in the Fund being left with no property.

On a winding up (otherwise than in accordance with an approved scheme of arrangement ) the Trustee is required as soon as practicable after a Fund falls to be wound up, to realise the property of a Fund and, after paying out of the Fund or retaining adequate provision for all liabilities properly so payable and retaining provision for the costs of the winding up, to distribute the proceeds of that realisation to the unitholders and the Manager (upon production by them of such evidence as the Trustee may reasonably require as to their entitlement) proportionately to their respective interests in a Fund as at the date of the relevant event. The Trustee may, in certain circumstances, (and with the agreement of the affected unitholders) distribute property of a Fund (rather than the proceeds on the realisation of that property) to unitholders on a winding-up. Any unclaimed net proceeds or other cash held by the Trustee after the expiration of twelve months from the date on which the same became payable is to be paid by the Trustee into court subject to the Trustee having a right to retain from those net proceeds or other cash any expenses incurred in making the payment into court.

If a Fund is to be wound up in accordance with an approved scheme of arrangement, the Trustee is required to wind up a Fund in accordance with the resolution of unitholders approving such scheme. Distributions will only be made to unitholders entered on the register. Any net proceeds or

cash (including unclaimed distribution payments) held by the Trustee which have not been claimed after 12 months will be paid into court, after the deduction by the Trustee of any expenses it may incur.

### 31. Allocation of Income

The income available for allocation is determined in accordance with the COLL Sourcebook and the Investment Management Association's Statement of Recommended Practice for Accounting Standards for Investment Funds (SORP).

Distributable income comprises all income received or receivable for the account of any Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, in accordance with the COLL Sourcebook, in relation to taxation and other matters.

Income on debt securities, such as bonds and other fixed interest securities is calculated using the "Effective Interest Rate" method, in accordance with the methodology laid down in the SORP.

The Effective Interest Rate method for calculating income generated from debt securities, treats any premiums and discounts arising on the purchase of a debt security (when compared to its maturity or par value) as income and this, together with any future expected income streams on the debt security, is amortised (written off) over the life of that security (to its maturity) and discounted back to its present value and included in calculation of distributable income.

For the purposes of allocating income, the Manager will determine on an annual basis, with reference to the objectives of a Fund, whether such income should exclude premiums and discounts arising on purchase of bonds attributed through the Effective Interest Rate method.

Each Fund will distribute any available income following the end of each of its accounting dates in relation to which it has an income allocation date. Each accounting period ends on an accounting date (either interim or final). The ex-dividend date and record date is the first business day following the end of the previous accounting reference period. Details of the accounting periods and income allocation dates for each Fund are set out in Appendix 1.

In relation to Accumulation units, any available income will become part of the capital property of a Fund as at the end of the relevant accounting period. In relation to Income units, any income distribution will be made on or before the relevant income allocation date for a Fund to those unitholders who are entitled to the allocation by evidence of their holding on the register at the previous accounting date for that Fund. If an income allocation date is not a Business Day, the allocation will be made on the preceding Business Day.

### 32. Additional Information

- (a) **Investor Profile:** Units in the Funds are and will continue to be made widely available to the general public. Each Fund is available for investment by both retail and professional investors but all clients will

be treated as retail investors. The Manager will not consider the suitability or appropriateness of an investment in the Funds for an investor's individual circumstances. Investors should be willing to accept capital and income risk, which may vary greatly from Fund to Fund. The Funds are not suitable for short-term investment and should therefore generally be regarded as long-term investments. The price of units in a Fund, and any income from them, can go down as well as up and is not guaranteed.

- (b) A purchase or sale of units in writing, and/or by telephone is a legally binding contract.
- (c) Any person relying on the information contained in this prospectus, which was current at the date shown, should check with the Manager that this document is the most recent version and that no revisions have been made nor corrections published to the information contained in this prospectus since the date shown.
- (d) This document is important and unitholders should read all the information contained in it carefully. If unitholders are in any doubt as to the meaning of any information contained in this document, unitholders should consult either the Manager or their financial adviser. The Manager has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no material facts, the omission of which would make misleading any statement herein whether of fact or opinion.
- (e) Annual and half-yearly reports on each of the Funds are available free of charge on request to the Manager and include a list of the particular Fund's holdings of securities. For information on the accounting dates pertaining to the reports of each of the Funds, please refer to Appendix 1. The annual reports will be published within four months of the accounting year end of the financial period to which they relate and half-yearly reports will be published within two months of the end of the half-year period to which they relate.
- (f) Complaints may be made about the operation of any of the Funds or any aspect of the service received to the Compliance Officer of the Manager at its registered address. If unitholders are not satisfied with the way the Manager handles a complaint, unitholders may follow up their complaint with the Financial Ombudsman Service, Exchange Tower, London, E14 9SR, (or visit the website at [www.financialombudsman.org.uk](http://www.financialombudsman.org.uk)). Tel: 0800 023 4567 or 0300 123 9 123. Email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk). Making a complaint will not prejudice a unitholder's right to take legal action. Written details of the Manager's complaints procedure are available from the Manager upon request.
- (g) The Manager is a participant the Financial Services Compensation Scheme. Unitholders may be entitled to compensation from the scheme if the Manager cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £85,000, so the maximum

compensation is £85,000. Further information about the Financial Services Compensation Scheme is available on request, or by contacting the Financial Services Compensation Scheme at 10<sup>th</sup> Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU, Tel: 0800 678 1100.

- (h) References in this prospectus to the client money rules are to the FCA CASS rules on client money. Subscription and redemption money will be held by BlackRock Fund Managers Limited in accordance with the FCA CASS rules on client money. As a result the money will be held by a regulated credit institution on behalf of BlackRock Fund Managers Limited. BlackRock Fund Managers Limited takes all reasonable care in the selection and appointment of those credit institutions to hold client money and its liability for the acts and omissions of those credit institutions is governed by the relevant agreement with them. In the event that the credit institution becomes insolvent, investors may not receive back all that was deposited.  

If necessary to act in accordance with an investor's instructions, BlackRock Fund Managers Limited may hold the investor's money in a bank account at an approved bank outside the UK. In such circumstances the legal and regulatory regime applying to the approved bank will be different from that of the UK and in the event of the default of the bank the investor's money may be treated in a different manner from that which would apply if the money was held by a bank in the UK.
- (i) Copies of the Trust Deed, key investor information documents, the most recent annual and half-yearly Manager's reports and the COLL Sourcebook may be inspected at the Manager's registered office during normal business hours. Copies of the prospectus may be obtained from the Manager at its registered office free of charge and copies of the Trust Deed are available free of charge to unitholders and at a charge of up to £5 per copy for the Trust Deed for non-unitholders.
- (j) A unitholder may also obtain from the Manager's registered office information supplementary to this prospectus relating to:
  - (i) the quantitative limits applying to risk management of each of the Funds;
  - (ii) the methods used in relation to (i); and
  - (iii) any recent development of the risk and yields of the main categories of investment.
- (k) **Data Protection:** Prospective unitholders and unitholders are referred to the privacy notice of the Manager, which is provided as an addendum to the Account Opening and Dealing Form (the "Privacy Notice"). The Privacy Notice explains, among other things, how 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.

- (l) By buying units in any of the Funds unitholders agree that they may be sent information about the BlackRock Group's other investment products and services. The Manager will not sell or pass on details about a unitholder to any other third party. If unitholders do not wish to give this consent or if they wish to exercise their right to receive a copy of the information that the Manager holds about them, they should write to the Manager.

### 33. Risk Management Process

The Manager is required by the COLL Sourcebook to employ a risk management process in respect of the Funds which enables it to accurately monitor and manage the global exposure from financial derivative instruments ("global exposure") which each Fund gains.

The Manager may use a methodology known as the "Commitment Approach" in order to measure the global exposure of a Fund and manage the potential loss to it due to market risk. The Commitment Approach is a methodology that aggregates the underlying market or notional values of derivative instruments to determine the degree of global exposure of a fund to derivative instruments. In accordance with the COLL Sourcebook, the global exposure for a Fund must not exceed 100% of that Fund's net asset value.

The Manager may alternatively use a methodology known as "Value at Risk" ("VaR") in order to measure the global exposure of a Fund and manage the potential loss to it due to market risk. 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 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 COLL Sourcebook specifies that the VaR of a fund must not exceed twice the VaR of its benchmark. Absolute VaR is commonly used as the relevant VaR measure for absolute return style funds which do not have a benchmark or other funds where a benchmark or reference portfolio is not appropriate for risk measurement purposes. The COLL Sourcebook specifies that the monthly VaR measure for such a fund must not exceed 20% of that fund's net asset value.

The type of methodology that the Manager applies in respect of each Fund to monitor and manage the global exposure of that Fund is set out in Appendix 1.

### 34. The Securities Financing Transaction Regulation

The Manager and the Trust are subject to the provisions of SFTR. The Funds may (subject to the relevant investment policy) use total return swaps ("TRS") and securities financing transactions ("SFTs") to help meet the investment objective of a Fund and/or as part of efficient portfolio management. The types of assets that may be subject to TRS and SFTs include equity securities, fixed income securities, collective investment schemes, money market instruments and cash. For further detail as to the use by the Funds of TRS and SFTs, please refer to Appendix 7.

BlackRock 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 Risk Group ("CRG"), which is part of BlackRock's independent Risk & Quantitative Analysis department ("RQA").

In order for a new trading counterparty to be approved, a requesting portfolio manager or trader is required to submit a request to the CRG. The CRG 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. A list of approved trading counterparties is maintained by the CRG 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 alert portfolios with market data service providers, and where applicable, as part of BlackRock's internal research process. Formal renewal assessments are performed on a cyclical basis.

Subject to applicable legal and regulatory requirements, the CRG has not set absolute criteria for the legal status, country of origin or credit rating of counterparties used in respect of the Funds, but these characteristics (where available in the case of credit ratings) will form part of its overall assessment, at both its initial review and ongoing monitoring, as to the fundamental creditworthiness and commercial reputation (as appropriate) of counterparties.

BlackRock select brokers based upon: (a) their ability to provide good execution quality (i.e. trading), whether on an agency or a principal basis; (b) their execution capabilities in a particular market segment; and (c) their operational quality and efficiency. We expect them to adhere to regulatory reporting obligations.

Once a counterparty is approved by the CRG, broker selection for an individual trade is then made by the relevant BlackRock 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 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 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.

Acceptable Collateral and valuation:

(a) collateral obtained in respect of derivatives (including forward exchange) and efficient portfolio management techniques, such as repo transactions or securities lending arrangements (“**Collateral**”), must comply with the following criteria:

(i) liquidity: Collateral (other than cash) should be sufficiently liquid in order that it can be sold at a price that is close to its pre-sale valuation;

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

(iii) issuer: Collateral (other than cash) may be issued by a range of issuers;

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

(v) diversification: there is no restriction on the level of diversification required with respect to any country, market or issuer; and

(vi) maturity: Collateral received may have a maturity date such as bonds or may not have a maturity date such as cash and equity.

(vii) asset types: The types of collateral that can be held are specified in paragraph 21 of Appendix 3.

The value of Collateral obtained is marked to market on a daily basis. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the general intention of BlackRock 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. In addition, BlackRock 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 and the price volatility of the Collateral.

Subject to fees payable to the stock lending agent as set out in section 8 any revenues from repurchase and reverse repurchase agreements and TRS not received directly by the relevant Fund will be returned to the relevant Fund. Any such revenues will be returned, net of any direct and indirect operational costs and fees incurred.

The assets of a Fund that are subject to any SFT or TRS and any collateral received in connection with such transactions (i.e. where there is title transfer) shall be held by the Depositary or any appointed delegate of the Depositary on behalf of the relevant Fund. Where there is no title transfer of collateral, 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.

### 35. The Benchmark Regulation

If a Fund tracks a benchmark index, or is managed by reference to a benchmark index, or uses a benchmark index to compute a performance fee, the Manager works with the benchmark administrator of the benchmark index to confirm that such benchmark administrator is, or intends to get itself, included on the register maintained by the FCA under the Benchmark Regulation (the “Benchmark Regulation Register”).

The list of benchmark administrators that are included in the Benchmark Regulation Register is available on the FCA’s [website](https://register.fca.org.uk/BenchmarksRegister/s) at <https://register.fca.org.uk/BenchmarksRegister/s>.

Benchmark administrators who benefit from the transitional arrangements afforded under the Benchmark Regulation may not appear yet on the register of administrators and benchmarks maintained by FCA pursuant to Article 36 of the Benchmark Regulation. The transitional arrangements provided under the Benchmark Regulation have been extended until 31 December 2025 with respect to the use of benchmarks provided by third country administrators, and benchmarks which have been declared as critical in accordance with Article 3 of the Benchmark Regulation. Benchmark administrators that are not included in the Benchmark Regulation Register can continue to provide benchmark indices on the basis of this transition period. It is expected that these benchmark administrators will file an application for authorisation or registration as benchmark administrators in advance of 31 December 2025, being the end of the transition period, in accordance with the Benchmark Regulation requirements.

As at the date of this prospectus, the following benchmark administrators of the Benchmark Indices are included in the Benchmark Regulation Register:

- J.P. Morgan Securities LLC
- Bloomberg Index Services Limited

The Manager will monitor the Benchmark Regulation Register and, if there are any changes, this information will be updated in the Prospectus at the next opportunity. The Manager has in place and maintains robust written plans setting out the actions that it would take in the event that a

benchmark index is materially changed or ceases to be provided.

Pursuant to these written plans, where the Manager is notified by the benchmark administrator of a material change or cessation of a Benchmark Index, the Manager 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 unitholder 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 Manager 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.

### **36. ESG Information**

Investments in certain Funds are made by the Investment Manager in accordance with the relevant ESG or sustainability policy for each Fund, or any ESG commitments or ESG process it applies (each where applicable) as detailed in Appendix 1.

The remainder of this section 35 sets out further details of terms used in Appendix 1 to describe the ESG commitments, ESG process and ESG reporting of the LifePath Funds only.

#### **a) ESG Scores**

In respect of each LifePath Fund, 'ESG scores' are a measurement of issuers' ESG credentials. The ESG score of a Fund's portfolio is calculated based on the ESG scores attributed to the issuers in which the Fund invests either indirectly through collective investment schemes or directly, but excluding assets for which ESG scores are not available such as commodities (indirect exposure only).

#### **b) Carbon Emission Intensity Score**

In respect of each LifePath Fund, 'carbon emission intensity scores' are a measurement of carbon emissions of an issuer relative to the issuer's size, and includes Scope 1 Greenhouse Gas (GHG) Emissions and Scope 2 GHG Emissions. In measuring the size of issuers for this purpose, the Investment Manager intends to use their reported sales but it may use another measure instead if it considers it appropriate or necessary as a result of changes in regulation, market practice or available data. Scope 1 GHG Emissions are direct emissions from sources that the reporting company owns or controls. Scope 2 GHG Emissions are indirect emissions that a reporting company causes from the generation of energy that it purchases or uses.

The overall carbon emission intensity score of a Fund's portfolio is calculated based on the carbon emission intensity scores attributed only to the corporate issuers in which a Fund invests either indirectly through collective investment schemes or directly. Securities issued by non-corporate issuers in which a Fund directly or indirectly

invests, such as fixed income securities issued by governments and commodities (indirect exposure only), are not included. The same exclusion of non-corporate issuers applies to the carbon emission intensity score calculated for the Reference Comparator (as defined below).

#### **c) Reference Comparator**

In respect of each LifePath Fund, the 'Reference Comparator' is a composite benchmark of underlying indices, one for each collective investment scheme in which a Fund invests (other than collective investment schemes in which a Fund invests for liquidity purposes only), where each underlying index is intended to represent a portfolio of assets similar to those in which such collective investment scheme invests but in respect of which no specific ESG related criteria or requirements are applied (the "non ESG investment universe"). Each such index will be weighted within the Reference Comparator based on the weight given to the corresponding collective investment scheme within the Fund's portfolio. Accordingly, the composition of the Reference Comparator will vary over time as a Fund's allocation to different collective investment schemes varies, and as a Fund changes the collective investment schemes in which it invests.

For the purposes of forming the Reference Comparator, as outlined above, the index that is selected to represent the non ESG investment universe of a particular collective investment scheme will be:

- 1) where the collective investment scheme tracks an index the methodology of which incorporates ESG criteria or requirements (an "ESG Index") or otherwise uses such an ESG Index to construct its portfolio, an index which adopts a methodology which incorporates no specific ESG criteria or requirements (a "Non-ESG Index") but which in all other material respects is the closest equivalent to the relevant ESG Index;
- 2) where the collective investment scheme tracks a Non-ESG Index or otherwise use such a Non-ESG Index to construct its portfolio, such Non-ESG Index; or
- 3) where the Investment Manager considers that an index other than the Non-ESG Index that would be selected pursuant to 1) or 2) above provides a reasonable representation of the non ESG investment universe of the collective investment scheme and that its use is more practicable for the purposes of forming the Reference Comparator, such other index.

#### **d) ESG Reporting**

In respect of each LifePath Fund, a list of the indices that form the Reference Comparator will be made available to unitholders in the quarterly reporting of each Fund.

The Investment Manager monitors the application of the ESG commitments applied by each LifePath Fund on an ongoing basis by measuring the 'ESG score' and the 'carbon emission intensity score' of the Fund's portfolio, including by reference to the 'Reference Comparator' for each Fund. Quarterly fund-level reporting in relation to

these ESG commitment(s) is available to unitholders on an ongoing basis by request to the Investment Manager. and reporting in relation to these ESG commitments will also be provided in the annual and semi-annual reports of each LifePath Fund.

**e) Use of Data**

In respect of each LifePath Fund, the Investment Manager will use data from one or more third party ESG research providers (for example MSCI) and data generated internally by the Investment Manager and/or its affiliates, as well as the Investment Manager's and/or its affiliates' proprietary data analysis tools, to identify the ESG and ESG related metrics (such as the carbon emission intensity scores and ESG scores) of issuers in which the Funds invest either indirectly through collective investment schemes or directly.



## APPENDIX 1: Details of each of the Funds

This section sets out a description of the Funds' investment objectives, investment policies and applicable benchmarks (see further below).

A benchmark is a standard or point of reference (usually a financial index (e.g. FTSE 100)) against which an attribute of a Fund may be managed, measured or compared. This section is designed to explain why the Investment Manager has chosen particular benchmarks and to enable unitholders to understand how a Fund is managed and to assess Fund performance.

The benchmark types listed fall into three categories, as described by the FCA in COLL 4.2.5R(3):

- (a) Target benchmark – where a target for a scheme's performance has been set, or a payment out of scheme property is permitted, by reference to a comparison of one or more aspects of the scheme property or price with fluctuations in the value or price of an index or indices or any other similar factor;
- (b) Constraining benchmark – without being a target benchmark, arrangements are in place in relation to the scheme according to which the composition of the portfolio of the scheme is, or is implied to be, constrained by reference to the value, the price or the components of an index or indices or any other similar factor; and
- (c) Comparator benchmark – without being a target benchmark or a constraining benchmark, the scheme's performance is compared against the value or price of an index or indices or any other similar factor.

Details of the investment restrictions applicable to a particular Fund are set out in Appendix 3.

### Disclaimers

MORNINGSTAR® is a registered trademark of Morningstar, Inc. The Morningstar® EEA Fund Target Date categories are © 2023 Morningstar Inc. All Rights Reserved. The information contained therein: (1) is proprietary to Morningstar Inc. and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar Inc. nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

## BlackRock Dynamic Return Strategy Fund

**This Fund is no longer available and is in the process of being terminated.**

BlackRock Dynamic Return Strategy Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 2 March 2015 and launched on 30 March 2015. The Fund's FCA product reference number is 675150.

### Investment objective

The aim of the Fund is to achieve a positive absolute return on a rolling three year basis regardless of market conditions. The level of return which the Fund aims to generate over the medium to long-term is equivalent to the return from cash (measured by 3 month GBP LIBOR) plus 6% a year, gross of fees. In addition, the Fund also seeks to manage risk through active asset allocation with a view to having a lower volatility of return than would result from investing in a portfolio of global equity securities alone.

The Fund will be managed with the aim of delivering absolute (more than zero) returns on a three year rolling basis in any market conditions. However, an absolute return is not guaranteed over three year rolling periods or any period and the Fund may experience periods of negative return. The Fund's capital is at risk.

### Investment policy

The Fund has a flexible approach to asset allocation and will seek to diversify its exposure across a variety of asset classes globally including equity securities, fixed income securities, money-market instruments, deposits, cash and near cash, and derivatives. The Fund may also hold indirect exposure to alternative asset classes such as commodities or property through eligible index derivatives, eligible collective investment schemes or structured securities.

In order to gain this exposure the Fund will utilise a variety of investment strategies and eligible instruments. For example, it may invest in any or all of the following: transferable securities (equity securities and fixed income securities), money-market instruments, deposits, cash and near cash, and units of collective investment schemes. The Fund may invest in a full range of fixed income securities and money market instruments which may include non-investment grade securities.

To achieve its investment objective, the Fund may take full advantage of the ability to use derivatives. A significant proportion of the Fund's portfolio may consist of derivatives on a daily basis.

The Fund's exposure will vary over time as determined by the Investment Manager at its sole discretion.

Key information about Classes of units in the Fund				
Class	A	D	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	At the Manager's discretion	Accumulation – Yes Income – At the Manager's discretion	Accumulation – Yes Income – At the Manager's discretion	Accumulation – Yes Income – At the Manager's discretion
Minimum initial investment and minimum holding (see also section 16)	£500	£100,000	£1,000,000	£10,000,000
Subsequent minimum	£100	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250	£250
Preliminary charge (see also section 27(a))	Up to 5.00%	Nil	Nil	Nil
Annual management charge (see also section 27(a))	1.60%	0.80%	0.80%	Nil
Annual service charge (see also section 27(a))	0.15%	0.05%	£12	£12

Information about dealing, valuation and accounting dates	
<i>Determination of unit price</i>	Dual-Priced Fund
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm
<i>Dealing cut off point</i>	12 noon
<i>Valuation point</i>	12 noon
<i>Annual accounting date</i>	The last day of February
<i>Annual income allocation date</i>	30 April
<i>Half-yearly accounting date</i>	31 August
<i>Half-yearly income allocation date</i>	31 October
<i>Risk management measure used</i>	Absolute VaR (benchmark not relevant)

## BlackRock Systematic Global Long / Short Equity Fund

**This Fund is no longer available and is in the process of being terminated.**

BlackRock Systematic Global Long / Short Equity Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 28 August 2015 and launched on 1 October 2015. The Fund's FCA product reference number is 719505.

### Investment Objective

The aim of the Fund is to provide a positive absolute return on your investment (i.e. an increase in the overall value of the Fund) over a 12-month period beginning at the point of investment, regardless of market conditions.

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### Investment Policy

In seeking to achieve the investment objective, the Fund will use quantitative (i.e. mathematical or statistical) models in order to achieve a systematic (i.e. rule based) approach to selection of equities (i.e. shares). This means that equities will be selected based on their expected contribution to portfolio returns when risk and transaction cost forecasts are taken into account.

The Fund will invest at least 70% of its total assets in equities, and equity-related investments (i.e. other investments whose value is related to equities), of companies located in, or exercising a significant part of their economic activity in, economically developed countries (i.e. countries with advanced financial and economic structures). The Fund may also invest in cash and assets that can be turned into cash quickly.

The Fund's portfolio will be highly diversified (i.e. have exposure to a variety of investments which typically perform differently to each other) across the global universe of developed market equities, whilst seeking to generate returns regardless of movements in the global developed equity market.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to further the Fund's investment objective, to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). A significant proportion of the Fund's portfolio may consist of derivatives on a daily basis.

The Fund's investment exposures may vary without limit depending on market conditions and other factors at the Investment Manager's discretion.

### Fund benchmark(s)

3-month SONIA compounded in arrears should be used by unitholders to compare the performance of the Fund. This benchmark has been chosen because the Fund is an absolute return fund and seeks to provide a return better than investing in cash.

Key information about Classes of units in the Fund			
Class	A	D	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	Accumulation – Yes Income – At the Manager's discretion	Accumulation – Yes Income – At the Manager's discretion	Accumulation – Yes Income – At the Manager's discretion
Minimum initial investment and minimum holding (see also section 16)	£500	£100,000	£10,000,000
Subsequent minimum	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250
Preliminary charge (see also section 27(a))	Up to 5.00%	Nil	Nil



<i>Annual management charge (see also section 27(a))</i>	1.80%	1.20%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.15%	0.15%	£12
<b>Information about dealing, valuation and accounting dates</b>			
<i>Determination of unit price</i>	Dual-Priced Fund		
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm		
<i>Dealing cut off point</i>	12 noon		
<i>Valuation point</i>	12 noon		
<i>Annual accounting date</i>	The last day of February		
<i>Annual income allocation date</i>	30 April		
<i>Half-yearly accounting date</i>	31 August		
<i>Half-yearly income allocation date</i>	31 October		
<i>Risk management measure used</i>	Absolute VaR (benchmark not relevant)		

## **BlackRock Sustainable Sterling Strategic Bond Fund**

BlackRock Sustainable Sterling Strategic Bond Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 14 April 2016 and launched on 17 May 2016. The Fund's FCA product reference number is 748472.

### **Investment Objective**

The aim of the Fund is to provide, over periods of three to five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) of 4.5% per year (gross of fees) over the return of 3-month SONIA compounded in arrears in a manner consistent with the principles of sustainable investment.

Although the Fund aims achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment Policy**

In seeking to achieve the investment objective, the Fund will invest at least 80% of its total assets in fixed income securities (i.e. bonds) and fixed income-related securities (i.e. other investments whose value is related to debt). At least 50% of the Fund's total assets will be invested in Sterling denominated, investment grade (i.e. meeting a specified level of creditworthiness), non-government (e.g. government agencies, companies and supranationals) fixed income securities and fixed income-related securities. However, the Fund may also invest in the full spectrum of available fixed income securities and fixed-income related securities, including non-investment grade, emerging market (i.e. countries that are progressing towards developing more advanced financial and economic structures) and government fixed income securities.

In seeking to achieve its investment objective and/or for liquidity purposes the Fund may also invest in other asset classes. These other asset classes include equity securities (i.e. shares), equity-related securities (i.e. other investments whose value is related to equities), cash, assets that can be turned into cash quickly and units or shares of collective investment schemes (i.e. other investment funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to further the Fund's investment objective, to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). Where the Fund invests in assets denominated in a currency other than Sterling, the Investment Manager may use derivatives to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling.

### **Sustainable Policy**

In respect only of the corporate issuers (i.e. companies) in which the Fund invests, the Investment Manager expects to achieve, as calculated at the end of each calendar quarter, a carbon emission intensity score (a measurement of an issuer's carbon emissions relative to its sales) for the Fund's portfolio of 20% less than Bloomberg Global Aggregate Corporate Bond Index (the "Index"). There can be no guarantee that this reduction will be achieved and the carbon emission intensity score of the Fund's portfolio may vary. The Index has been chosen because it is representative of the universe of fixed income securities issued by corporate issuers (only) in which the Fund invests without the application of any ESG criteria. The Fund's carbon emission intensity score is measured against the Index, but the Index is not used by the Investment Manager to constrain the investment universe of the Fund.

The carbon emission intensity score of the Fund's portfolio will be calculated based on the carbon emission intensity scores attributed to the corporate issuers only of the securities in which the Fund invests. Securities issued by non-corporate issuers in which the Fund invests such as fixed income securities issued by governments, government agencies and supranationals, which may (in aggregate) represent a material portion of the Fund's total assets, are not included.

The Fund applies the BlackRock EMEA Baseline Screens, whereby the Investment Manager will seek to limit and/or exclude (as applicable) direct investment in corporate issuers (only) 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:

- (a) the production of certain types of controversial weapons;
- (b) the distribution or production of firearms or small arms ammunition intended for retail to civilians;

- (c) the extraction of certain types of fossil fuel and/or the generation of power from them;
- (d) the production of tobacco products or certain activities in relation to tobacco-related products; and
- (e) issuers which have been deemed to have failed to comply with UN Global Compact Principles.

A full list of the limits and/or exclusions being applied by the Investment Manager at any time in accordance with the above BlackRock EMEA Baseline Screens (including any specific threshold criteria) is available at <https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf>.

The Fund will also use the Investment Manager's proprietary sustainability evaluation methodology (the "Methodology") to evaluate whether issuers and/or securities (not already excluded by the BlackRock EMEA Baseline Screens) display positive or negative sustainability characteristics. Under the Methodology, issuers and securities are evaluated as displaying positive sustainability characteristics where, in the Investment Manager's assessment, they 1) generate positive ESG externalities (i.e. beneficial ESG impacts to third parties), such as (i) bonds issued by intranational organisations (such as development banks), (ii) green, social or sustainable bonds (i.e. bonds where the proceeds of the issuance are used for projects that have green, social or sustainable goals respectively), and (iii) companies that generate material revenues from sustainable impact categories (such as education, alternative energy and pollution prevention), (2) are issuers considered best in class ESG performers (as demonstrated, for example, by high third party ESG ratings relative to their peers), and/or (3) are issuers that are considered to be rapidly reducing their carbon emissions. Issuers and/or securities are evaluated as displaying negative sustainability characteristics where, in the Investment Manager's assessment, they 1) generate negative externalities (i.e. harmful ESG impacts to third parties), such as issuers generating material revenue from activities such as the production of fossil fuels, tobacco or controversial weapons (to the extent not already excluded/limited by the BlackRock EMEA Baseline Screens), and/or 2) are issuers that are considered the worst in class ESG performers (as demonstrated, for example, by low third party ESG ratings relative to their peers).

The Investment Manager will use its evaluation of which issuers and/or securities display positive or negative sustainability characteristics from the Methodology (as set out above) to weight the Fund's portfolio towards issuers that display the former and away from issuers that display the latter. The Fund may continue to invest in issuers and/or securities that, in its evaluation, display negative sustainability characteristics (though only to a very limited extent, consistent with this weighting methodology, and subject to the exclusions/limitations of the BlackRock EMEA Baseline Screens). and may also continue to invest in issuers and/or securities evaluated as not having positive or negative sustainability characteristics or whose characteristics are identified as unclear by the evaluation (for example where the available data is inadequate).

The BlackRock EMEA Baseline Screens and the Methodology use a variety of data inputs generated by the Investment Manager, its affiliates and/or one or more external research providers. It is the Investment Manager's intention that the Methodology and the BlackRock EMEA Baseline Screens policy will evolve over time as improved data and more research on sustainability and ESG criteria becomes available.

Further information about the BlackRock EMEA Baseline Screens including information on how the limits and exclusions (as set out in this ESG Policy above) are applied, can be obtained from the Investment Manager on request. The full list of BlackRock EMEA Baseline Screens 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 unitholders. Should existing holdings, compliant at the time of investment with the BlackRock EMEA Baseline Screens, subsequently become ineligible, they will be divested by the Fund within a reasonable period of time (not expected to exceed 90 days).

The Fund may gain limited indirect exposure (through, including but not limited to, derivatives, cash and assets that can be turned into cash quickly, shares or units of collective investment schemes (CIS)) to issuers with exposures that do not meet the ESG criteria 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 CIS 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.

#### **Fund benchmark(s)**

Target benchmark: 3-month SONIA compounded in arrears plus 4.5% is used by the Investment Manager to assess the performance of the Fund. This benchmark has been chosen because it forms part of the investment objective of the Fund and should be used by unitholders to compare the performance of the Fund.

The Fund's carbon emission intensity score is measured against the Bloomberg Global Aggregate Corporate Bond Index. This index has been chosen because it is representative of the universe of fixed income securities issued by corporate issuers in which the Fund invests without the application of any ESG criteria.

Key information about Classes of units in the Fund						
Class	A	D	S	X	Z	
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	
Current availability	Yes	Yes	Accumulation – Yes Income – At the Manager’s discretion	Yes	Yes	
Minimum initial investment and minimum holding (see also section 16)	£500	£100,000	£50,000,000	£10,000,000	£50,000,000	
Subsequent minimum	£100	£100	£100	£100	£100	
Minimum withdrawal (see also section 16)	£250	£250	£250	£250	£250	
Preliminary charge (see also section 27(a))	Up to 5.00%	Nil	Up to 5.00%	Nil	Nil	
Annual management charge (see also section 27(a))	1.00%	0.50%	0.45%	Nil	Up to 0.50%	
Discount to the Annual management charge	<b>Assets Under Management</b>		<b>Discount to the Annual Management Charge ^</b>		Not Applicable	As per the discount table for Classes A, D, and S units.
	£0-1 billion		No discount			
	£1-3 billion		5% incremental discount			
	£3-5 billion		7% incremental discount			
	£5+ billion		8% incremental discount			
Annual service charge (see also section 27(a))	0.04%	0.04%	0.04%	£12	£12	
Information about dealing, valuation and accounting dates						
Determination of unit price	Dual-Priced Fund					
Dealing day	Normally daily between 8.30 am and 5.30 pm					
Dealing cut off point	12 noon					
Valuation point	12 noon					
Annual accounting date	The last day of February					



<i>Annual income allocation date</i>		30 April and 31 October
<i>Half-yearly accounting date</i>		31 August
<i>Half-yearly income allocation date</i>		31 October
<i>Risk management measure used</i>		Absolute VaR (benchmark not relevant)

<sup>^</sup> With effect from 6 October 2023, the following discounts will apply to the annual management charge for Class A, D, S and Z units. Further details are given in the paragraph titled "Discounts to the annual management charge" in this Prospectus.

## BlackRock ESG Strategic Growth Fund

BlackRock ESG Strategic Growth Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 14 August 2018 and launched on 28<sup>th</sup> September 2018. The Fund's FCA product reference number is 822169.

### Investment Objective

The aim of the Fund is to provide, over any period of seven consecutive years, a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) of 4.5% per year (gross of fees) over the Bank of England's Base Interest Rate, in a manner consistent with the principles of environmental, social and governance (ESG)-focused investing.

In addition, the Fund aims to manage its portfolio of investments with a view to having a volatility of return (i.e. the degree of fluctuation of the Fund's returns) that is lower than the volatility of the monthly returns (converted into an annual rate) of the MSCI All Country World Index (GBP) over any period of seven consecutive years.

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### Investment Policy

In seeking to achieve the investment objective, the Fund will seek to create a diversified portfolio of investments (i.e. hold a variety of investments which typically perform differently to each other), by investing directly or indirectly (i.e. through other investments) in a variety of asset classes globally including equity securities (i.e. shares), equity-related securities (i.e. other investment whose value is related to equities), fixed income securities (i.e. bonds), fixed income-related securities (i.e. other investments whose value is related to debt), money-market instruments (i.e. debt securities with short term maturities), cash and assets that can be turned into cash quickly. The Fund may also invest indirectly in alternative asset classes (such as commodities and property) through investment in index derivatives (i.e. investments the prices of which are based on one or more underlying indices), units or shares in collective investment schemes (i.e. other investment funds, which may be Associated Funds) or structured securities (i.e. financial instruments backed by certain underlying assets). The Fund will invest in the full range of fixed income securities and money-market instruments, which may include investments with a relatively low credit rating or which are unrated.

The Fund's investment exposures may vary without limit depending on market conditions and other factors at the Investment Manager's discretion. In making its investment decisions, the Investment Manager will typically take a 5 to 7 year investment outlook.

A significant proportion of the Fund's portfolio may consist of derivatives (i.e. investments the prices of which are based on one or more underlying assets) on a daily basis. Derivatives may be used to further the Fund's investment objective, to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM").

The Fund may be fully invested in units or shares of collective investment schemes.

The Fund's total assets will be invested in accordance with the ESG Policy described below at the time of purchase.

### *ESG Policy*

The Fund will apply the BlackRock EMEA Baseline Screens, as follows:

The Investment Manager will seek to limit and/or exclude (as applicable) direct investment in 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:

- (a) the production of certain types of controversial weapons;
- (b) the distribution or production of firearms or small arms ammunition intended for retail to civilians;
- (c) the extraction of certain types of fossil fuel and/or the generation of power from them;
- (d) the production of tobacco products or certain activities in relation to tobacco-related products; and
- (e) issuers which have been deemed to have failed to comply with UN Global Compact Principles.

A full list of the limits and/or exclusions being applied by the Investment Manager at any time in accordance with the above BlackRock EMEA Baseline Screens (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 Unitholders.

In addition to the above BlackRock EMEA Baseline Screens, the Investment Manager will also seek to limit and/or exclude (as applicable) direct investment in issuers which:

- (a) derive more than 5% of their revenue from the production of conventional weapons;
- (b) derive more than 5% of their revenue from the manufacturing of alcoholic products;
- (c) derive more than 10% of their revenue from the manufacturing, distributing, retailing, licensing, and supplying of alcoholic products;
- (d) derive more than 5% of their revenue from ownership or operation of gambling facilities such as casinos, racetracks, bingo parlours, or other betting establishments;
- (e) derive more than 10% of their revenue from gambling-related business activities;
- (f) derive more than 5% of their revenue from adult entertainment;
- (g) derive more than 10% of their revenue from predatory lending;
- (h) have an MSCI ESG rating below BBB.

Should existing holdings, compliant with the above limits and/or exclusions at the time of investment, subsequently become ineligible, they will be divested within a reasonable period of time. To undertake its analysis of the above 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.

In addition to the above, when investing indirectly via units or shares in collective investment schemes, the Fund will aim to invest in collective investment schemes that:

- (a) incorporate socially responsible investment considerations into their investment processes (“SRI Funds”);
- (b) have a focus on ESG-related investments (“ESG Funds”); and/or
- (c) apply exclusionary screens to issuers which have exposure to, or ties with, certain business areas or sectors (“ESG Screened Funds”).

Where the Investment Manager determines that an appropriate SRI Fund, ESG Fund or ESG Screened Fund is not available, it may use investment in other collective investment schemes to achieve its investment objective. No minimum acceptable ESG requirements apply when selecting such collective investment schemes, and the nature and extent of the relevant features will vary between the Fund’s investments.

#### Fund benchmark(s)

Target benchmark: The Bank of England Base Interest Rate plus 4.5% is used by the Investment Manager to assess the performance of the Fund. This benchmark has been chosen because it forms part of the investment objective of the Fund and should be used by unitholders to compare the performance of the Fund. As set out above, the Investment Manager will also use the MSCI All Country World Index as the basis for the Fund’s target volatility of return.

Key information about Classes of units in the Fund						
Class	D	I	PL	SI	X	Z
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	Accumulation – Yes Income - At the Manager’s discretion	Accumulation - Yes Income - At the Manager’s discretion	Accumulation - Yes Income - At the Manager’s discretion	Accumulation - Yes Income - At the Manager’s discretion	Accumulation - Yes Income - At the Manager’s discretion	Accumulation - Yes Income - At the Manager’s discretion
Minimum initial investment and minimum holding (see also section 16)	£100,000	£1,000,000	£50,000,000	£250,000,000	£10,000,000	£50,000,000
Subsequent minimum	£100	£100	£100	£100	£100	£100
Minimum withdrawal	£250	£250	£250	£250	£250	£250

<i>(see also section 16)</i>							
<i>Preliminary charge (see also section 27(a))</i>	Nil	Nil	Nil	Nil	Nil	Nil	
<i>Annual management charge (see also section 27(a))</i>	0.22%	0.22%	0.17%	Up to 0.17%	Nil	Up to 0.22%	
<i>Discount to the annual management charge</i>	<b>Assets Under Management</b>		<b>Discount to the Annual Management Charge<sup>^</sup></b>			Not applicable	As per the discount table for Classes D, I, PL, SI units.
	<b>£0-1 billion</b>		No discount				
	<b>£1-3 billion</b>		5% incremental discount				
	<b>£3-5 billion</b>		7% incremental discount				
	<b>£5+ billion</b>		8% incremental discount				
<i>Annual service charge (see also section 27(a))</i>	0.04%	£12	£12	£12	£12	£12	

<sup>^</sup> With effect from 6 October 2023, the following discounts will apply to the annual management charge for Class D, I, PL, SI and Z units. Further details are given in the paragraph titled "Discounts to the annual management charge" in this Prospectus.

<b>Information about dealing, valuation and accounting dates</b>	
<i>Determination of unit price</i>	Single-Priced Fund
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm
<i>Dealing cut off point</i>	12 noon
<i>Valuation point</i>	12 noon
<i>Annual accounting date</i>	The last day of February
<i>Annual income allocation date</i>	30 April
<i>Half-yearly accounting date</i>	31 August
<i>Half-yearly income allocation date</i>	31 October
<i>Risk management measure used</i>	Absolute VaR (benchmark not relevant)



## MyMap 3 Fund

MyMap 3 Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 17 May 2019. The Fund's FCA product reference number is 843699.

### Investment Objective

The aim of the Fund is to provide, over periods of five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) through an actively managed portfolio, whilst also maintaining a risk profile (i.e. an evaluation of the risks (e.g. risk of losses) associated with the portfolio) for the Fund of 3%-6%.

The risk profile of the Fund's portfolio, for this purpose, is measured as the volatility (i.e. the degree of fluctuation) of the Fund's returns converted into an annual rate, over a five year period.

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's risk profile may fall outside the stated range from time to time. There can be no guarantee that the Fund will maintain the target level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. The Fund's potential gains and losses are likely to be constrained by the aim to stay within the predefined risk profile. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment could decrease as a result.

### Investment Policy

In seeking to achieve its investment objective, the Fund will seek to invest indirectly (i.e. through other investments) in a variety of asset classes globally, including equity securities (i.e. shares), equity-related securities (i.e. other investments whose value is related to equities), fixed income securities (such as corporate bonds and government bonds), fixed income-related securities (i.e. other investments whose value is related to debt), cash and assets that can be turned into cash quickly.

The Fund will seek to stay within the stated risk profile by varying its asset allocations (i.e. mix of assets) in different market conditions.

Given the lower risk profile of the Fund, under normal market conditions the Fund will seek a greater investment in fixed income securities and assets that can be turned into cash quickly (which are generally considered to be less risky compared to equity securities), compared to a fund with a higher risk profile which would seek to have a greater investment in equity securities (which are generally considered to be more risky compared to fixed income securities and assets that can be turned into cash quickly). The Fund may invest up to 15% of its total assets indirectly in alternative asset classes such as, but not limited to, real estate and commodities.

In order to achieve the above indirect investments, the Fund will invest more than 80% of its total assets in a range of collective investment schemes (i.e. other investment funds, which may be Associated Funds) including, but not limited to, exchange traded funds and other index-tracking funds, managed by an affiliate of the BlackRock Group. The Fund may also at times, where determined appropriate, invest directly in derivatives (i.e. investments the prices of which are based on one or more underlying assets), cash and assets that can be turned into cash quickly.

Derivatives may be used to further the Fund's investment objective, to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). Where the Fund invests in assets denominated in a currency other than Sterling, the Investment Manager may use derivatives to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling.

The Fund may be fully invested in units or shares of collective investment schemes.

### Fund Benchmark

The Fund does not use a target benchmark, constraining benchmark or comparator benchmark. The Fund's performance may be assessed by considering the extent to which the return of the Fund is achieved within the predefined risk profile, measured as the volatility of the Fund's returns converted into an annual rate, over a five year period. The Fund's returns and volatility (converted into an annual rate) will be published on the product pages of the BlackRock website.

Key information about Classes of units in the Fund					
Class	A	D	S	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	At the Manager's discretion	Accumulation – Yes Income – Yes	Accumulation – Yes Income – Yes	At the Manager's discretion	Accumulation – Yes Income – Yes

<i>Minimum initial investment and minimum holding (see also section 16)</i>	£500	£100,000	£50,000,000	£1,000,000	£10,000,000
<i>Subsequent minimum</i>	£100	£100	£100	£100	£100
<i>Minimum withdrawal (see also section 16)</i>	£250	£250	£250	£250	£250
<i>Preliminary charge (see also section 27(a))</i>	Up to 5.00%	Nil	Up to 5.00%	Nil	Nil
<i>Annual management charge (see also section 27(a))*</i>	0.24%	0.12 %	0.09%	0.12%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.04%	0.04%	£12	£12
<b>Information about dealing, valuation and accounting dates</b>					
<i>Determination of unit price</i>	Single-Priced Fund				
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm				
<i>Dealing cut off point</i>	10.00 am				
<i>Valuation point</i>	12 noon				
<i>Annual accounting date</i>	The last day of February				
<i>Annual income allocation date</i>	30 April				
<i>Half-yearly accounting date</i>	31 August				
<i>Half-yearly income allocation date</i>	31 October				
<i>Risk management measure used</i>	Commitment Approach				

\*The above table specifies the maximum level of management fees that may be charged to the Fund.

### **MyMap 3 Select ESG Fund**

MyMap 3 Select ESG Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 10 February 2022. The Fund's FCA product reference number is 971283.

### **Investment Objective**

The aim of the Fund is to provide, over periods of five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) through an actively managed portfolio, whilst also maintaining a risk profile of 3% -6% (i.e. an evaluation of the risks (e.g. risk of losses) associated with the portfolio) as measured by volatility (i.e. the degree of fluctuation) of the Fund's returns, converted into an annual rate, over a five-year period). The Fund also aims to invest in a manner consistent with the principles of environmental, social and governance ("ESG") investing

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's risk profile may fall outside the stated range from time to time. There can be no guarantee that the Fund will maintain the target level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. The Fund's potential gains and losses are likely to be constrained by the aim to stay within the predefined risk profile. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment could decrease as a result.

### **Investment Policy**

In seeking to achieve its investment objective, the Fund will seek to invest indirectly (i.e. through other investments) in a variety of asset classes globally, including equity securities (i.e. shares), equity-related securities (i.e. other investments whose value is related to equities), fixed income securities (such as corporate bonds and government bonds), fixed income-related securities (i.e. other investments whose value is related to debt), and, directly or indirectly, in cash and assets that can be turned into cash quickly.

The Fund will seek to stay within the stated risk profile by varying its asset allocations (i.e. mix of assets) in different market conditions.

Given the lower risk profile of the Fund, under normal market conditions the Fund will seek a greater investment in fixed income securities and assets that can be turned into cash quickly (being asset classes considered less risky than equities), compared to a fund with a higher risk profile which would seek to have a greater investment in equity securities (as equities are considered a more risky asset class than fixed income).

The Fund may invest up to 15% of its total assets indirectly in alternative asset classes such as, but not limited to, real estate and commodities.

In order to achieve the above indirect investments, the Fund will invest more than 80% of its total assets in a range of collective investment schemes (i.e. other investment products or investment funds, which may be Associated Funds) including, but not limited to, exchange traded products and index-tracking funds. The Fund may be fully invested in units or shares of collective investment schemes.

The Fund may also, where determined appropriate, invest directly in derivatives (i.e. investments the prices of which are based on one or more underlying assets) to further the Fund's investment objective, to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"), though it is expected that the use of derivatives to further the Fund's investment objective will be limited. Where the Fund invests in assets denominated in a currency other than Sterling, the Investment Manager may use derivatives to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling.

### **ESG Policy**

In respect only of the corporate issuers (i.e. companies) in which the Fund invests, the Investment Manager expects to achieve, as calculated at the end of each calendar quarter, a carbon emission intensity score (a measurement of an issuer's carbon emissions relative to its capital) for the Fund's portfolio of 30% less than a portfolio that holds equivalent proportions (weighting) of equity securities and fixed income securities as the Fund but that does not apply any ESG criteria (such comparable portfolio being represented by a reference benchmark (the "Reference Comparator") as further described below). The Investment Manager also aims to achieve an absolute reduction in the carbon emission intensity score of the Fund's portfolio over periods of five consecutive years on a rolling quarterly basis. There can be no guarantee that these aims will be met and the carbon emission intensity score of the Fund's portfolio may vary.

The carbon emission intensity score of the Fund's portfolio is calculated based on carbon emission intensity scores attributed to the corporate issuers only of securities in which the Fund indirectly invests through collective investment schemes. Securities

issued by non-corporate issuers in which the Fund directly or indirectly invests, such as fixed income securities issued by governments and commodities (indirect exposure only), which may (in aggregate) represent a substantial portion of the Fund's total assets, are not included. The same applies to the carbon emission intensity score calculated for the Reference Comparator.

The Reference Comparator is a combination of market capitalisation indices that represent the asset classes held by the Fund and in the same proportions (weighting) as the Fund. As at the date of this prospectus, the indices used are shown below:

<b>Asset Class</b>	<b>Index</b>
Global Equity	MSCI ACWI Index
Global Fixed Income	Bloomberg Multiverse Index

The composition of the Reference Comparator varies over time in line with the asset classes and proportions held by the Fund.

The Fund may invest in collective investment schemes which primarily invest in government bonds ("Government Bond Funds"). Of the assets that it invests in Government Bond Funds, the Fund will invest at least 80% in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or another third party data vendor) ("ESG Government Bond Funds").

Of the total assets that the Fund invests in collective investment schemes (other than Government Bond Funds), the Fund seeks to invest at least 80% in collective investment schemes which 1) track benchmark indices that apply screens and exclusionary criteria based on ESG-related limits/thresholds, and/or 2) otherwise include/exclude and/or overweight/underweight (i.e. allocate a higher or lower proportion of AUM to) investments from an underlying benchmark based on the ESG-related characteristics (together, "ESG Funds").

In making an assessment of whether a collective investment scheme constitutes an ESG Fund for the purposes of this ESG Policy, the Investment Manager will analyse the investment policy of the collective investment scheme and the methodology of the relevant underlying index, including how the constituents of the relevant index are selected and weighted, and whether and to what extent it:

- 1) excludes or underweights issuers or sectors which are involved in activities which the Investment Manager considers non-ESG (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, tobacco, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or issuers with low ESG or ESG related scores; and/or
- 2) includes or overweights issuers or sectors based on activities which the Investment Manager considers positive for ESG (such as, but not limited to, activities relating to transition readiness, sustainable energy and the future of transport) and/or issuers with high ESG or ESG related scores.

The nature and extent of ESG characteristics will vary between the ESG Funds in which the Fund invests, and the criteria for what the Investment Manager considers non-ESG or positive for ESG may also change and develop over time. Where an ESG Fund applies screens and exclusionary criteria, the limits or thresholds will be derived from the relevant index provider's definition of what constitutes "involvement" in certain restricted activities. Involvement in such activities may be defined by reference to, for example, a percentage of revenue derived from the activity, a defined total revenue threshold, or may be triggered by any connection to a restricted activity regardless of the amount of revenue derived.

As part of its investment process, the Investment Manager will use data from one or more third party ESG research providers (for example MSCI) and data generated internally by the Investment Manager and/or its affiliates, as well as the Investment Manager's and/or its affiliates' proprietary data analysis tools, to identify the ESG and ESG related (such as carbon intensity) scores of issuers and to compare such scores across a range of collective investment schemes in order to select schemes to be held as ESG Funds.

ESG Government Bond Funds will, at the time of purchase by the Fund, comply with the rating requirements described above. Where the Investment Manager is of the view that a collective investment scheme has ceased to be suitable for the Fund as an ESG Fund (for example, due to a change or deterioration in its ESG characteristics in the opinion of the Investment Manager), or where an ESG Government Bond Fund ceases to comply with the rating requirements described above, the Fund may continue to hold such investment as an ESG Fund or an ESG Government Bond Fund (respectively) but will seek to divest within a reasonable period of time (not expected to exceed 120 days, which is the Fund's portfolio rebalance cycle) or the Fund may, at the discretion of the Investment Manager, continue to hold such investment other than as an ESG Fund or an ESG Government Bond Fund (respectively).



For further information regarding the ESG investment approach taken by the Fund, and for the latest reporting of the Fund's carbon emission intensity score, including by reference to the Reference Comparator, please refer to <https://www.blackrock.com/uk/individual/themes/mymap>.

The Fund may gain indirect exposure (through, including but not limited to, derivatives cash and assets that can be turned into cash quickly, and shares or units of collective investment schemes) to securities that the Investment Manager considers are inconsistent with the ESG criteria described above.

### Fund Benchmark

The Fund does not use a target benchmark, constraining benchmark or comparator benchmark. The Fund's carbon emission intensity score is measured against the Reference Comparator. The Fund's performance may be assessed by considering the extent to which the return of the Fund is achieved within the predefined risk profile, measured as the volatility of the Fund's returns converted into an annual rate, over a five-year period. The Fund's returns and volatility (converted into an annual rate) will be published on the product pages of the BlackRock website.

Key information about Classes of units in the Fund					
Class	A	D	S	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	At the Manager's discretion	Accumulation - Yes Income - Yes	Accumulation - Yes Income - Yes	At the Manager's discretion	Accumulation - Yes Income - Yes
Minimum initial investment and minimum holding (see also section 16)	£500	£100,000	£50,000,000	£1,000,000	£10,000,000
Subsequent minimum	£100	£100	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250	£250	£250
Preliminary charge (see also section 27(a))	Up to 5.00%	Nil	Up to 5.00%	Nil	Nil
Annual management charge (see also section 27(a))*	0.24%	0.12%	0.09%	0.12%	Nil
Annual service charge (see also section 27(a))	0.04%	0.04%	0.04%	£12	£12
Information about dealing, valuation and accounting dates					
Determination of unit price	Single-Priced Fund				
Dealing day	Normally daily between 8.30 am and 5.30 pm				
Dealing cut off point	10.00 am				
Valuation point	12 noon				
Initial Offer Period	8.30 am to 12 noon on 3 March 2022 or such later date as the Manager may determine in its sole discretion. During the initial offer period the initial offer price of Class D Accumulation and Income units, Class S Accumulation and Income units and Class X Accumulation and Income units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest				

	will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.
<i>Annual accounting date</i>	The last day of February
<i>Annual income allocation date</i>	30 April
<i>Half-yearly accounting date</i>	31 August
<i>Half-yearly income allocation date</i>	31 October
<i>Risk management measure used</i>	Commitment Approach

## MyMap 4 Fund

MyMap 4 Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 17 May 2019. The Fund's FCA product reference number is 843700.

### Investment Objective

The aim of the Fund is to provide, over periods of five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) through an actively managed portfolio, whilst also maintaining a risk profile (i.e. an evaluation of the risks (e.g. risk of losses) associated with the portfolio) for the Fund's portfolio of 6%-9%.

The risk profile of the Fund's portfolio, for this purpose, is measured as the volatility (i.e. the degree of fluctuation) of the Fund's returns converted into an annual rate, over a five year period.

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's risk profile may fall outside the stated range from time to time. There can be no guarantee that the Fund will maintain the target level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. The Fund's potential gains and losses are likely to be constrained by the aim to stay within the predefined risk profile. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment could decrease as a result.

### Investment Policy

In seeking to achieve its investment objective, the Fund will seek to invest indirectly (i.e. through other investments) in a variety of asset classes globally, including equity securities (i.e. shares), equity-related securities (i.e. other investments whose value is related to equities), fixed income securities (such as corporate bonds and government bonds), fixed income-related securities (i.e. other investments whose value is related to debt), cash and assets that can be turned into cash quickly.

The Fund will seek to stay within the stated risk profile by varying its asset allocations (i.e. mix of assets) in different market conditions.

Given the lower risk profile of the Fund, under normal market conditions the Fund will seek a greater investment in fixed income securities and assets that can be turned into cash quickly (which are generally considered to be less risky compared to equity securities), compared to a fund with a higher risk profile which would seek to have a greater investment in equity securities (which are generally considered to be more risky compared to fixed income securities and assets that can be turned into cash quickly). The Fund may invest up to 15% of its total assets indirectly in alternative asset classes such as, but not limited to, real estate and commodities.

In order to achieve the above indirect investments, the Fund will invest more than 80% of its total assets in a range of collective investment schemes (i.e. other investment funds, which may be Associated Funds) including, but not limited to, exchange traded funds and other index-tracking funds, managed by an affiliate of the BlackRock Group. The Fund may also at times, where determined appropriate, invest directly in derivatives (i.e. investments the prices of which are based on one or more underlying assets), cash and assets that can be turned into cash quickly.

Derivatives may be used to further the Fund's investment objective, to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). Where the Fund invests in assets denominated in a currency other than Sterling, the Investment Manager may use derivatives to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling. The Fund may be fully invested in units or shares of collective investment schemes.

### Fund Benchmark

The Fund does not use a target benchmark, constraining benchmark or comparator benchmark. The Fund's performance may be assessed by considering the extent to which the return of the Fund is achieved within the predefined risk profile, measured as the volatility of the Fund's returns converted into an annual rate, over a five year period. The Fund's returns and volatility (converted into an annual rate) will be published on the product pages of the BlackRock website.

Key information about Classes of units in the Fund					
Class	A	D	S	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	At the Manager's discretion	Accumulation - Yes Income - Yes	Accumulation - Yes Income - Yes	At the Manager's discretion	Accumulation - Yes Income - Yes
Minimum initial investment	£500	£100,000	£50,000,000	£1,000,000	£10,000,000

<i>minimum holding (see also section 16)</i>					
<i>Subsequent minimum</i>	£100	£100	£100	£100	£100
<i>Minimum withdrawal (see also section 16)</i>	£250	£250	£250	£250	£250
<i>Preliminary charge (see also section 27(a))</i>	Up to 5.00%	Nil	Up to 5.00%	Nil	Nil
<i>Annual management charge (see also section 27(a))*</i>	0.24%	0.12%	0.09%	0.12%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.04%	0.04%	£12	£12
<b>Information about dealing, valuation and accounting dates</b>					
<i>Determination of unit price</i>	Single-Priced Fund				
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm				
<i>Dealing cut off point</i>	10.00 am				
<i>Valuation point</i>	12 noon				
<i>Annual accounting date</i>	The last day of February				
<i>Annual income allocation date</i>	30 April				
<i>Half-yearly accounting date</i>	31 August				
<i>Half-yearly income allocation date</i>	31 October				
<i>Risk management measure used</i>	Commitment Approach				

\*The above table specifies the maximum level of management fees that may be charged to the Fund.



## **MyMap 4 Select Income Fund**

MyMap 4 Select Income Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 29 July 2020. The Fund's FCA product reference number is 953802.

### **Investment Objective**

The aim of the Fund is to provide, over periods of five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) through an actively managed portfolio, whilst also maintaining a risk profile of 6%-9% (i.e. an evaluation of the risks (e.g. risk of losses) associated with the portfolio) as measured by volatility (i.e. the degree of fluctuation) of the Fund's returns, converted into an annual rate, over a five year period)). The Fund aims to provide a level of income (gross of fees) that is higher than that produced by a 50/50 blend of the global bond and equity markets (as represented by the Bloomberg Barclays Global Aggregate Bond Index and MSCI All Country World Index respectively) (i.e. a level of income which exceeds that produced by the constituents of the indices) over periods of five consecutive years beginning at the point of investment. This income objective is secondary to the Fund's aim to maintain its risk profile.

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. In particular, there is no guarantee that the Fund will achieve its income objective. The Fund's risk profile may fall outside the stated range from time to time. There can be no guarantee that the Fund will maintain the target level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. The Fund's potential gains and losses are likely to be constrained by the aim to stay within the predefined risk profile. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment could decrease as a result.

### **Investment Policy**

In seeking to achieve its investment objective, the Fund will seek to invest indirectly (through other investment funds, some of which may be Associated Funds), in a variety of asset classes globally, including fixed income securities (such as corporate bonds and government bonds), fixed income-related securities (i.e. other investments whose value is related to debt), equity securities (i.e. shares), equity-related securities (i.e. other investments whose value is related to equities), cash and assets that can be turned into cash quickly.

The Fund will seek to stay within the stated risk profile by varying its asset allocations (i.e. mix of assets) in different market conditions. The level of income is variable, determined by the current market conditions and obtained from the dividend distributions from the underlying collective investment schemes in which the Fund invests. The income objective is set to take into account the Fund's risk profile, whilst keeping the portfolio risk contribution from equity, credit, interest rates, currency and other risks sufficiently diversified. The portfolio shape is determined by the Investment Manager using a quantitative process and the Investment Manager's discretion to balance out risk tolerance, income generation, long-term capital growth and costs.

Given the risk profile of the Fund, under normal market conditions the Fund will seek a greater investment in fixed income securities and assets that can be turned into cash quickly (which are generally considered to be less risky compared to equity securities), compared to a fund with a higher risk profile which would seek to have a greater investment in equity securities (which are generally considered to be more risky compared to fixed income securities and assets that can be turned into cash quickly). The Fund may invest up to 15% of its total assets indirectly in alternative asset classes such as, but not limited to, real estate and commodities.

In order to achieve the above indirect investments, the Fund will invest more than 80% of its total assets in a range of collective investment schemes including, but not limited to, exchange traded products and other index-tracking funds, managed by an affiliate of the BlackRock Group. An underlying collective investment scheme may use derivatives as part of its investment strategy, but such use is expected to be limited. The Fund may also at times, where determined appropriate, invest directly in derivatives (i.e. investments the prices of which are based on one or more underlying assets), cash and assets that can be turned into cash quickly.

Derivatives may be used to further the Fund's investment objective, to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). Where the Fund invests in assets denominated in a currency other than Sterling, the Investment

Manager may use derivatives to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling. The use of derivatives by the Fund is expected to be limited.

The Fund may be fully invested in units or shares of collective investment schemes.

### Fund Benchmark

Target benchmark: A blend of 50% Bloomberg Barclays Global Aggregate Bond Index and 50% MSCI All Country World Index (the “Composite Benchmark”) is used by the Investment Manager to assess the level of income provided by the Fund. The Composite Benchmark has been chosen because it represents a 50/50 blend of the global bond and equity markets and therefore represents a significant part of the Fund’s investment universe.

The Manager will refer to the Composite Benchmark when constructing the Fund’s portfolio but is not bound by the components or weighting of the Composite Benchmark when selecting investments. The Manager may use its discretion to invest in securities not included in the Composite Index (for example, high yield corporate bonds) and will invest through other investment funds, as described in its investment policy.

The Manager will also refer to the projected income level of the Composite Benchmark when making investment decisions relating to the Fund’s income objective.

The Manager may also use the Composite Benchmark for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Composite Benchmark) taken by the Fund remains appropriate given the Fund’s investment objective and policy.

The Fund’s overall performance may be assessed by considering the extent to which the return of the Fund is achieved within the predefined risk profile, measured as the volatility of the Fund’s returns converted into an annual rate, over a five-year period. The Fund’s returns and volatility (converted into an annual rate) will be published on the product pages of the BlackRock website.

The Fund does not use any target, constraint or comparator benchmark in relation to its overall return nor in relation to its asset allocation.

	Key information about Classes of units in the Fund				
Class	A	D	S	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	At the Manager’s discretion	Accumulation - Yes Income -Yes	At the Manager’s discretion	At the Manager’s discretion	Accumulation - Yes Income -Yes
Minimum initial investment and minimum holding (see also section 16)	£500	£100,000	£50,000,000	£1,000,000	£10,000,000
Subsequent minimum	£100	£100	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250	£250	£250
Preliminary charge (see also section 27(a))	5.00%	Nil	5.00%	Nil	Nil
Annual management charge (see also section 27(a))*	0.46%	0.23%	0.20%	0.23%	Nil
Annual service charge (see also section 27(a))	0.04%	0.04%	0.04%	£12	£12

Information about dealing, valuation and accounting dates	
<i>Determination of unit price</i>	Single-Priced Fund
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm
<i>Dealing cut off point</i>	10.00 am
<i>Valuation point</i>	12 noon
<i>Initial Offer Period</i>	8.30 am to 12 noon on a date the Manager may determine in its sole discretion. During the initial offer period the initial offer price of Class D Accumulation and Income units and Class X Accumulation and Income units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.
<i>Annual accounting date</i>	The last day of February
<i>Income allocation dates</i>	31 January, 30 April, 31 July, 31 October
<i>Half-yearly accounting date</i>	31 August
<i>Risk management measure used</i>	Commitment Approach

\*The above table specifies the maximum level of management fees that may be charged to the Fund.

The Fund may deduct all or part of its charges and expenses from capital. Whilst this might allow more income to be distributed, it may also have the effect of reducing the potential for long-term capital growth or potentially loss of capital (see the “Risk Considerations” section of this prospectus for further details).

## MyMap 5 Fund

MyMap 5 Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 17 May 2019. The Fund's FCA product reference number is 843701.

### Investment objective

The aim of the Fund is to provide, over periods of five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) through an actively managed portfolio, whilst also maintaining a risk profile (i.e. an evaluation of the risks (e.g. risk of losses) associated with the portfolio) for the Fund's portfolio of 8%-11%.

The risk profile of the Fund's portfolio, for this purpose, is measured as the volatility (i.e. the degree of fluctuation) of the Fund's returns converted into an annual rate, over a five year period.

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's risk profile may fall outside the stated range from time to time. There can be no guarantee that the Fund will maintain the target level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. The Fund's potential gains and losses are likely to be constrained by the aim to stay within the predefined risk profile. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment could decrease as a result.

### Investment Policy

In seeking to achieve its investment objective, the Fund will seek to invest indirectly (i.e. through other investments) in a variety of asset classes globally, including equity securities (i.e. shares), equity-related securities (i.e. other investments whose value is related to equities), fixed income securities (such as corporate bonds and government bonds), fixed income-related securities (i.e. other investments whose value is related to debt), cash and assets that can be turned into cash quickly.

The Fund will seek to stay within the stated risk profile by varying its asset allocations (i.e. mix of assets) in different market conditions.

Given the higher risk profile of the Fund, under normal market conditions the Fund will seek a greater investment in equity securities (which are generally considered to be more risky compared to fixed income securities), compared to a fund with a lower risk profile which would seek to have a greater investment in fixed income securities (which are generally considered to be less risky compared to equity securities). The Fund may invest up to 15% of its total assets indirectly in alternative asset classes such as, but not limited to, real estate and commodities.

In order to achieve the above indirect investments, the Fund will invest more than 80% of its total assets in a range of collective investment schemes (i.e. other investment funds, which may be Associated Funds) including, but not limited to, exchange traded funds and other index-tracking funds, managed by an affiliate of the BlackRock Group. The Fund may also at times, where determined appropriate, invest directly in derivatives (i.e. investments the prices of which are based on one or more underlying assets), cash and assets that can be turned into cash quickly.

Derivatives may be used to further the Fund's investment objective, to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). Where the Fund invests in assets denominated in a currency other than Sterling, the Investment Manager may use derivatives to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling. The Fund may be fully invested in units or shares of collective investment schemes.

### Fund Benchmark

The Fund does not use a target benchmark, constraining benchmark or comparator benchmark. The Fund's performance may be assessed by considering the extent to which the return of the Fund is achieved within the predefined risk profile, measured as the volatility of the Fund's returns converted into an annual rate, over a five year period. The Fund's returns and volatility (converted into an annual rate) will be published on the product pages of the BlackRock website.

Key information about Classes of units in the Fund					
Class	A	D	S	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	At the Manager's discretion	Accumulation - Yes Income - Yes	Accumulation - Yes Income - Yes	At the Manager's discretion	Accumulation - Yes Income - Yes
Minimum initial investment	£500	£100,000	£50,000,000	£1,000,000	£10,000,000

<i>minimum holding (see also section 16)</i>					
<i>Subsequent minimum</i>	£100	£100	£100	£100	£100
<i>Minimum withdrawal (see also section 16)</i>	£250	£250	£250	£250	£250
<i>Preliminary charge (see also section 27(a))</i>	Up to 5.00%	Nil	Up to 5.00%	Nil	Nil
<i>Annual management charge (see also section 27(a))*</i>	0.24%	0.12%	0.09%	0.12%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.04%	0.04%	£12	£12
<b>Information about dealing, valuation and accounting dates</b>					
<i>Determination of unit price</i>	Single-Priced Fund				
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm				
<i>Dealing cut off point</i>	10.00 am				
<i>Valuation point</i>	12 noon				
<i>Annual accounting date</i>	The last day of February				
<i>Annual income allocation date</i>	30 April				
<i>Half-yearly accounting date</i>	31 August				
<i>Half-yearly income allocation date</i>	31 October				
<i>Risk management measure used</i>	Commitment Approach				

\*The above table specifies the maximum level of management fees that may be charged to the Fund.



## **MyMap 5 Select ESG Fund**

MyMap 5 Select ESG Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 24 April 2020. The Fund's FCA product reference number is 931141.

### **Investment Objective**

The aim of the Fund is to provide, over periods of five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) through an actively managed portfolio, whilst also maintaining a risk profile of 8% -11% (i.e. an evaluation of the risks (e.g. risk of losses) associated with the portfolio) as measured by volatility (i.e. the degree of fluctuation) of the Fund's returns, converted into an annual rate, over a five-year period). The Fund also aims to invest in a manner consistent with the principles of environmental, social and governance ("ESG") investing

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's risk profile may fall outside the stated range from time to time. There can be no guarantee that the Fund will maintain the target level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. The Fund's potential gains and losses are likely to be constrained by the aim to stay within the predefined risk profile. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment could decrease as a result.

### **Investment Policy**

In seeking to achieve its investment objective, the Fund will seek to invest indirectly (i.e. through other investments) in a variety of asset classes globally, including equity securities (i.e. shares), equity-related securities (i.e. other investments whose value is related to equities), fixed income securities (such as corporate bonds and government bonds), fixed income-related securities (i.e. other investments whose value is related to debt), and, directly or indirectly, in cash and assets that can be turned into cash quickly.

The Fund will seek to stay within the stated risk profile by varying its asset allocations (i.e. mix of assets) in different market conditions.

Given the risk profile of the Fund, under normal market conditions the Fund will seek a greater investment in equity securities (as equities are considered a more risky asset class than fixed income), compared to a fund with a lower risk profile which would seek to have a greater investment in fixed income securities (as fixed income is considered a less risky asset class than equities). The Fund may invest up to 15% of its total assets indirectly in alternative asset classes such as, but not limited to, real estate and commodities.

In order to achieve the above indirect investments, the Fund will invest more than 80% of its total assets in a range of collective investment schemes (i.e. other investment products or investment funds, which may be Associated Funds) including, but not limited to, exchange traded products and index-tracking funds. The Fund may be fully invested in units or shares of collective investment schemes.

The Fund may also, where determined appropriate, invest directly in derivatives (i.e. investments the prices of which are based on one or more underlying assets) to further the Fund's investment objective, to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"), though it is expected that the use of derivatives to further the Fund's investment objective will be limited. Where the Fund invests in assets denominated in a currency other than Sterling, the Investment Manager may use derivatives to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling.

### **ESG Policy**

In respect only of the corporate issuers (i.e. companies) in which the Fund invests, the Investment Manager expects to achieve, as calculated at the end of each calendar quarter, a carbon emission intensity score (a measurement of an issuer's carbon emissions relative to its capital) for the Fund's portfolio of 30% less than a portfolio that holds equivalent proportions (weighting) of equity securities and fixed income securities as the Fund but that does not apply any ESG criteria (such comparable portfolio being represented by a reference benchmark (the "Reference Comparator") as further described below). The Investment Manager also aims to achieve an absolute reduction in the carbon emission intensity score of the Fund's portfolio over periods of five consecutive years on a rolling quarterly basis. There can be no guarantee that these aims will be met and the carbon emission intensity score of the Fund's portfolio may vary.

The carbon emission intensity score of the Fund's portfolio is calculated based on carbon emission intensity scores attributed to the corporate issuers only of securities in which the Fund indirectly invests through collective investment schemes. Securities issued by non-corporate issuers in which the Fund directly or indirectly invests, such as fixed income securities issued by

governments and commodities (indirect exposure only), which may (in aggregate) represent a material portion of the Fund's total assets, are not included. The same applies to the carbon emission intensity score calculated for the Reference Comparator.

The Reference Comparator is a combination of market capitalisation indices that represent the asset classes held by the Fund and in the same proportions (weighting) as the Fund. As at the date of this prospectus, the indices used are shown below:

<b>Asset Class</b>	<b>Index</b>
Global Equity	MSCI ACWI Index
Global Fixed Income	Bloomberg Multiverse Index

The composition of the Reference Comparator varies over time in line with the asset classes and proportions held by the Fund. The Fund may invest in collective investment schemes which primarily invest in government bonds ("Government Bond Funds"). Of the assets that it invests in Government Bond Funds, the Fund will invest at least 80% in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or another third party data vendor) ("ESG Government Bond Funds").

Of the total assets that the Fund invests in collective investment schemes (other than Government Bond Funds), the Fund seeks to invest at least 80% in collective investment schemes which 1) track benchmark indices that apply screens and exclusionary criteria based on ESG-related limits/thresholds, and/or 2) otherwise include/exclude and/or overweight/underweight (i.e. allocate a higher or lower proportion of AUM to) investments from an underlying benchmark based on the ESG-related characteristics (together, "ESG Funds").

In making an assessment of whether a collective investment scheme constitutes an ESG Fund for the purposes of this ESG Policy, the Investment Manager will analyse the investment policy of the collective investment scheme and the methodology of the relevant underlying index, including how the constituents of the relevant index are selected and weighted, and whether and to what extent it:

- 1) excludes or underweights issuers or sectors which are involved in activities which the Investment Manager considers non-ESG (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, tobacco, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or issuers with low ESG or ESG related scores; and/or
- 2) includes or overweights issuers or sectors based on activities which the Investment Manager considers positive for ESG (such as, but not limited to, activities relating to transition readiness, sustainable energy and the future of transport) and/or issuers with high ESG or ESG related scores.

The nature and extent of ESG characteristics will vary between the ESG Funds in which the Fund invests, and the criteria for what the Investment Manager considers non-ESG or positive for ESG may also change and develop over time. Where an ESG Fund applies screens and exclusionary criteria, the limits or thresholds will be derived from the relevant index provider's definition of what constitutes "involvement" in certain restricted activities. Involvement in such activities may be defined by reference to, for example, a percentage of revenue derived from the activity, a defined total revenue threshold, or may be triggered by any connection to a restricted activity regardless of the amount of revenue derived.

As part of its investment process, the Investment Manager will use data from one or more third party ESG research providers (for example MSCI) and data generated internally by the Investment Manager and/or its affiliates, as well as the Investment Manager's and/or its affiliates' proprietary data analysis tools, to identify the ESG and ESG related (such as carbon intensity) scores of issuers and to compare such scores across a range of collective investment schemes in order to select schemes to be held as ESG Funds.

ESG Government Bond Funds will, at the time of purchase by the Fund, comply with the rating requirements described above. Where the Investment Manager is of the view that a collective investment scheme has ceased to be suitable for the Fund as an ESG Fund (for example, due to a change or deterioration in its ESG characteristics in the opinion of the Investment Manager), or where an ESG Government Bond Fund ceases to comply with the rating requirements described above, the Fund may continue to hold such investment as an ESG Fund or an ESG Government Bond Fund (respectively) but will seek to divest within a reasonable period of time (not expected to exceed 120 days, which is the Fund's portfolio rebalance cycle) or the Fund may, at the discretion of the Investment Manager, continue to hold such investment other than as an ESG Fund or an ESG Government Bond Fund (respectively).

For further information regarding the ESG investment approach taken by the Fund, and for the latest reporting of the Fund's carbon emission intensity score, including by reference to the Reference Comparator, please refer to <https://www.blackrock.com/uk/individual/themes/mymap>.

The Fund may gain indirect exposure (through, including but not limited to, derivatives cash and assets that can be turned into cash quickly, and shares or units of collective investment schemes) to securities that the Investment Manager considers are inconsistent with the ESG criteria described above.

### Fund Benchmark

The Fund does not use a target benchmark, constraining benchmark or comparator benchmark. The Fund's carbon emission intensity score is measured against the Reference Comparator. The Fund's performance may be assessed by considering the extent to which the return of the Fund is achieved within the predefined risk profile, measured as the volatility of the Fund's returns converted into an annual rate, over a five-year period. The Fund's returns and volatility (converted into an annual rate) will be published on the product pages of the BlackRock website.

Key information about Classes of units in the Fund					
Class	A	D	S	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	At the Manager's discretion	Accumulation - Yes Income - Yes	Accumulation - Yes Income - Yes	At the Manager's discretion	Accumulation - Yes Income - Yes
Minimum initial investment and minimum holding (see also section 16)	£500	£100,000	£50,000,000	£1,000,000	£10,000,000
Subsequent minimum	£100	£100	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250	£250	£250
Preliminary charge (see also section 27(a))	Up to 5.00%	Nil	Up to 5.00%	Nil	Nil
Annual management charge (see also section 27(a))*	0.24%	0.12%	0.09%	0.12%	Nil
Annual service charge (see also section 27(a))	0.04%	0.04%	0.04%	£12	£12
Information about dealing, valuation and accounting dates					
Determination of unit price	Single-Priced Fund				
Dealing day	Normally daily between 8.30 am and 5.30 pm				
Dealing cut off point	10.00 am				
Valuation point	12 noon				
Annual accounting date	The last day of February				
Annual income allocation date	30 April				
Half-yearly accounting date	31 August				
Half-yearly income allocation date	31 October				
Risk management measure used	Commitment Approach				

## MyMap 6 Fund

MyMap 6 Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 17 May 2019. The Fund's FCA product reference number is 843702.

### Investment Objective

The aim of the Fund is to provide, over periods of five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) through an actively managed portfolio, whilst also maintaining a risk profile (i.e. an evaluation of the risks (e.g. risk of losses) associated with the portfolio) for the Fund's portfolio of 10%-15%.

The risk profile of the Fund's portfolio, for this purpose, is measured as the volatility (i.e. the degree of fluctuation) of the Fund's returns converted into an annual rate, over a five year period.

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's risk profile may fall outside the stated range from time to time. There can be no guarantee that the Fund will maintain the target level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. The Fund's potential gains and losses are likely to be constrained by the aim to stay within the predefined risk profile. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment could decrease as a result.

### Investment Policy

In seeking to achieve its investment objective, the Fund will seek to invest indirectly (i.e. through other investments) in a variety of asset classes globally, including equity securities (i.e. shares), equity-related securities (i.e. other investments whose value is related to equities), fixed income securities (such as corporate bonds and government bonds), fixed income-related securities (i.e. other investments whose value is related to debt), cash and assets that can be turned into cash quickly.

The Fund will seek to stay within the stated risk profile by varying its asset allocations (i.e. mix of assets) in different market conditions.

Given the higher risk profile of the Fund, under normal market conditions the Fund will seek a greater investment in equity securities (which are generally considered to be more risky compared to fixed income securities), compared to a fund with a lower risk profile which would seek to have a greater investment in fixed income securities (which are generally considered to be less risky compared to equity securities). The Fund may invest up to 15% of its total assets indirectly in alternative asset classes such as, but not limited to, real estate and commodities.

In order to achieve the above indirect investments, the Fund will invest more than 80% of its total assets in a range of collective investment schemes (i.e. other investment funds, which may be Associated Funds) including, but not limited to, exchange traded funds and other index-tracking funds, managed by an affiliate of the BlackRock Group. The Fund may also at times, where determined appropriate, invest directly in derivatives (i.e. investments the prices of which are based on one or more underlying assets), cash and assets that can be turned into cash quickly.

Derivatives may be used to further the Fund's investment objective. Derivatives may be used to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). Where the Fund invests in assets denominated in a currency other than Sterling, the Investment Manager may use derivatives to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling.

The Fund may be fully invested in units or shares of collective investment schemes.

### Fund Benchmark

The Fund does not use a target benchmark, constraining benchmark or comparator benchmark. The Fund's performance may be assessed by considering the extent to which the return of the Fund is achieved within the predefined risk profile, measured as the volatility of the Fund's returns converted into an annual rate, over a five year period. The Fund's returns and volatility (converted into an annual rate) will be published on the product pages of the BlackRock website.

Key information about Classes of units in the Fund					
Class	A	D	S	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	At the Manager's discretion	Accumulation - Yes Income - Yes	Accumulation - Yes Income - Yes	At the Manager's discretion	Accumulation - Yes Income - Yes
Minimum initial investment	£500	£100,000	£50,000,000	£1,000,000	£10,000,000

<i>minimum holding (see also section 16)</i>					
<i>Subsequent minimum</i>	£100	£100	£100	£100	£100
<i>Minimum withdrawal (see also section 16)</i>	£250	£250	£250	£250	£250
<i>Preliminary charge (see also section 27(a))</i>	Up to 5.00%	Nil	Up to 5.00%	Nil	Nil
<i>Annual management charge (see also section 27(a))*</i>	0.24%	0.12%	0.09%	0.12%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.04%	0.04%	£12	£12
<b>Information about dealing, valuation and accounting dates</b>					
<i>Determination of unit price</i>	Single-Priced Fund				
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm				
<i>Dealing cut off point</i>	10.00 am				
<i>Valuation point</i>	12 noon				
<i>Annual accounting date</i>	The last day of February				
<i>Annual income allocation date</i>	30 April				
<i>Half-yearly accounting date</i>	31 August				
<i>Half-yearly income allocation date</i>	31 October				
<i>Risk management measure used</i>	Commitment Approach				

\*The above table specifies the maximum level of management fees that may be charged to the Fund.



## **MyMap 7 Select ESG Fund**

MyMap 7 Select ESG Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 10 February 2022. The Fund's FCA product reference number is 971284.

### **Investment Objective**

The aim of the Fund is to provide, over periods of five consecutive years beginning at the point of investment, a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) through an actively managed portfolio, whilst also maintaining a risk profile of 12% or more (i.e. an evaluation of the risks (e.g. risk of losses) associated with the portfolio) as measured by volatility (i.e. the degree of fluctuation) of the Fund's returns, converted into an annual rate, over a five-year period). The Fund also aims to invest in a manner consistent with the principles of environmental, social and governance ("ESG") investing

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's risk profile may fall outside the stated range from time to time. There can be no guarantee that the Fund will maintain the target level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. The Fund's potential gains and losses are likely to be constrained by the aim to stay within the predefined risk profile. The Fund's capital is at risk, meaning that the Fund could suffer a decrease in value and the value of your investment could decrease as a result.

### **Investment Policy**

In seeking to achieve its investment objective, the Fund will seek to invest indirectly (i.e. through other investments) in a variety of asset classes globally, including equity securities (i.e. shares), equity-related securities (i.e. other investments whose value is related to equities), fixed income securities (such as corporate bonds and government bonds), fixed income-related securities (i.e. other investments whose value is related to debt), and, directly or indirectly, in cash and assets that can be turned into cash quickly.

The Fund will seek to stay within the stated risk profile by varying its asset allocations (i.e. mix of assets) in different market conditions.

Given the risk profile of the Fund, under normal market conditions the Fund will seek to invest its assets principally in equity securities (as equities are considered a more risky asset class than fixed income) with only a limited, residual proportion in fixed income securities (as fixed income is considered a less risky asset class than equities). The Fund may invest up to 15% of its total assets indirectly in alternative asset classes such as, but not limited to, real estate and commodities.

In order to achieve the above indirect investments, the Fund will invest more than 80% of its total assets in a range of collective investment schemes (i.e. other investment products or investment funds, which may be Associated Funds) including, but not limited to, exchange traded products and index-tracking funds. The Fund may be fully invested in units or shares of collective investment schemes.

The Fund may also, where determined appropriate, invest directly in derivatives (i.e. investments the prices of which are based on one or more underlying assets) to further the Fund's investment objective, to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"), though it is expected that the use of derivatives to further the Fund's investment objective will be limited. Where the Fund invests in assets denominated in a currency other than Sterling, the Investment Manager may use derivatives to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling.

### **ESG Policy**

In respect only of the corporate issuers (i.e. companies) in which the Fund invests, the Investment Manager expects to achieve, as calculated at the end of each calendar quarter, a carbon emission intensity score (a measurement of an issuer's carbon emissions relative to its capital) for the Fund's portfolio of 30% less than a portfolio that holds equivalent proportions (weighting) of equity securities and fixed income securities as the Fund but that does not apply any ESG criteria (such comparable portfolio being represented by a reference benchmark (the "Reference Comparator") as further described below). The Investment Manager also aims to achieve an absolute reduction in the carbon emission intensity score of the Fund's portfolio over periods of five consecutive years on a rolling quarterly basis. There can be no guarantee that these aims will be met and the carbon emission intensity score of the Fund's portfolio may vary.

The carbon emission intensity score of the Fund's portfolio is calculated based on carbon emission intensity scores attributed to the corporate issuers only of securities in which the Fund indirectly invests through collective investment schemes. Securities issued by non-corporate issuers in which the Fund directly or indirectly invests, such as fixed income securities issued by governments and commodities (indirect exposure only), are not included though these are not expected to represent more than

a limited portion of the Fund's total assets. The same applies to the carbon emission intensity score calculated for the Reference Comparator.

The Reference Comparator is a combination of market capitalisation indices that represent the asset classes held by the Fund and in the same proportions (weighting) as the Fund. As at the date of this prospectus, the indices used are shown below:

<b>Asset Class</b>	<b>Index</b>
Global Equity	MSCI ACWI Index
Global Fixed Income	Bloomberg Multiverse Index

The composition of the Reference Comparator varies over time in line with the asset classes and proportions held by the Fund.

The Fund may invest in collective investment schemes which primarily invest in government bonds ("Government Bond Funds"). Of the assets that it invests in Government Bond Funds, the Fund will invest at least 80% in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or another third party data vendor) ("ESG Government Bond Funds").

Of the total assets that the Fund invests in collective investment schemes (other than Government Bond Funds), the Fund seeks to invest at least 80% in collective investment schemes which 1) track benchmark indices that apply screens and exclusionary criteria based on ESG-related limits/thresholds, and/or 2) otherwise include/exclude and/or overweight/underweight (i.e. allocate a higher or lower proportion of AUM to) investments from an underlying benchmark based on the ESG-related characteristics (together, "ESG Funds").

In making an assessment of whether a collective investment scheme constitutes an ESG Fund for the purposes of this ESG Policy, the Investment Manager will analyse the investment policy of the collective investment scheme and the methodology of the relevant underlying index, including how the constituents of the relevant index are selected and weighted, and whether and to what extent it:

- 1) excludes or underweights issuers or sectors which are involved in activities which the Investment Manager considers non-ESG (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, tobacco, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or issuers with low ESG or ESG related scores; and/or
- 2) includes or overweights issuers or sectors based on activities which the Investment Manager considers positive for ESG (such as, but not limited to, activities relating to transition readiness, sustainable energy and the future of transport) and/or issuers with high ESG or ESG related scores.

The nature and extent of ESG characteristics will vary between the ESG Funds in which the Fund invests, and the criteria for what the Investment Manager considers non-ESG or positive for ESG may also change and develop over time. Where an ESG Fund applies screens and exclusionary criteria, the limits or thresholds will be derived from the relevant index provider's definition of what constitutes "involvement" in certain restricted activities. Involvement in such activities may be defined by reference to, for example, a percentage of revenue derived from the activity, a defined total revenue threshold, or may be triggered by any connection to a restricted activity regardless of the amount of revenue derived.

As part of its investment process, the Investment Manager will use data from one or more third party ESG research providers (for example MSCI) and data generated internally by the Investment Manager and/or its affiliates, as well as the Investment Manager's and/or its affiliates' proprietary data analysis tools, to identify the ESG and ESG related (such as carbon intensity) scores of issuers and to compare such scores across a range of collective investment schemes in order to select schemes to be held as ESG Funds.

ESG Government Bond Funds will, at the time of purchase by the Fund, comply with the rating requirements described above. Where the Investment Manager is of the view that a collective investment scheme has ceased to be suitable for the Fund as an ESG Fund (for example, due to a change or deterioration in its ESG characteristics in the opinion of the Investment Manager), or where an ESG Government Bond Fund ceases to comply with the rating requirements described above, the Fund may continue to hold such investment as an ESG Fund or an ESG Government Bond Fund (respectively) but will seek to divest within a reasonable period of time (not expected to exceed 120 days, which is the Fund's portfolio rebalance cycle) or the Fund may, at the discretion of the Investment Manager, continue to hold such investment other than as an ESG Fund or an ESG Government Bond Fund (respectively).

For further information regarding the ESG investment approach taken by the Fund, and for the latest reporting of the Fund's carbon emission intensity score, including by reference to the Reference Comparator, please refer to <https://www.blackrock.com/uk/individual/themes/mymap>.

The Fund may gain indirect exposure (through, including but not limited to, derivatives cash and assets that can be turned into cash quickly, and shares or units of collective investment schemes) to securities that the Investment Manager considers are inconsistent with the ESG criteria described above.

### Fund Benchmark

The Fund does not use a target benchmark, constraining benchmark or comparator benchmark. The Fund's carbon emission intensity score is measured against the Reference Comparator. The Fund's performance may be assessed by considering the extent to which the return of the Fund is achieved within the predefined risk profile, measured as the volatility of the Fund's returns converted into an annual rate, over a five-year period. The Fund's returns and volatility (converted into an annual rate) will be published on the product pages of the BlackRock website.

Key information about Classes of units in the Fund					
Class	A	D	S	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	At the Manager's discretion	Accumulation - Yes Income - Yes	Accumulation - Yes Income - Yes	At the Manager's discretion	Accumulation - Yes Income - Yes
Minimum initial investment and minimum holding (see also section 16)	£500	£100,000	£50,000,000	£1,000,000	£10,000,000
Subsequent minimum	£100	£100	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250	£250	£250
Preliminary charge (see also section 27(a))	Up to 5.00%	Nil	Up to 5.00%	Nil	Nil
Annual management charge (see also section 27(a))*	0.24%	0.12%	0.09%	0.12%	Nil
Annual service charge (see also section 27(a))	0.04%	0.04%	0.04%	£12	£12
Information about dealing, valuation and accounting dates					
Determination of unit price	Single-Priced Fund				
Dealing day	Normally daily between 8.30 am and 5.30 pm				
Dealing cut off point	10.00 am				
Initial Offer Period	8.30 am to 12 noon on 3 March 2022 or such later date as the Manager may determine in its sole discretion. During the initial offer period the initial offer price of Class D Accumulation and Income units, Class S Accumulation and Income units and Class X Accumulation and Income units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.				

<i>Valuation point</i>	12 noon
<i>Annual accounting date</i>	The last day of February
<i>Annual income allocation date</i>	30 April
<i>Half-yearly accounting date</i>	31 August
<i>Half-yearly income allocation date</i>	31 October
<i>Risk management measure used</i>	Commitment Approach

## **BlackRock Systematic Multi Allocation Credit Fund**

BlackRock Systematic Multi Allocation Credit Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 21 June 2019. The Fund's FCA product reference number is 931856.

### **Investment objective**

The Fund aims to deliver over the long-term (seven to ten consecutive years beginning at the point of investment) a return on your investment (generated through an increase to the value of the assets held by the Fund and/or income received from those assets) of 0.3% per annum (gross of fees) over the composite benchmark (i.e. a number of indices averaged together to represent overall performance and risk). The composite benchmark is made up of the following indices, each weighted equally (i.e. each of the indices make up a third of the composite index); Bloomberg Barclays Global Aggregate Corporate GBP Hedged Index, BBG Barclays Global High Yield Index Excl CMBS & EMG 2% Capped GBP Hedged Index and J.P. Morgan EMBI ESG Global Diversified GBP Hedged Index ("Benchmark Indices").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment policy**

The Fund seeks to achieve the investment objective through active asset allocation (i.e. mix of assets) and credit security (i.e. debt issued by companies and non government entities) selection. The Fund aims to invest at least 70% of its NAV in a globally diversified range of investment grade and non-investment grade (i.e. securities which have a relatively low credit rating or which are unrated) fixed income securities (i.e. both government and corporate bonds).

The Fund may also invest in debt instruments including non-investment grade bonds and emerging market hard currency debt (i.e. debt instruments denominated in currencies of major developed economies, for example, USD, EUR and JPY, which are widely recognised as being highly liquid (i.e. readily converted into other currencies) denominated in, or hedged back (in order to limit currency risk), to the base currency of the Fund. The base currency of the Fund is Sterling. The Fund may also invest in debt related securities (for example, credit bonds issued by government agencies, supranational entities (e.g. the International Bank for Reconstruction and Development) and local authorities, or hybrid securities (i.e. financial securities which combine both debt and equity characteristics such as convertible bonds)).

The Fund will employ a broadly rules based active approach (i.e. an investment approach involving a clear set of pre-determined rules designed to ensure a consistent, transparent and disciplined investment process incorporating data-driven inputs (which may relate to economics, valuation, price and positioning)). The Investment Manager will use macro-economic data (i.e. data based on the whole economy as opposed to individual asset data), asset valuations and price and positioning based indicators (i.e. indicators employed by the Investment Manager to analyse investor holdings and changes in these holdings over time, in order to assess investor demand and risk appetite in respect of specific asset classes) to determine asset allocation. The Investment Manager will adjust the Fund's asset allocation (at its discretion), compared to the Benchmark Indices, in order to achieve the Fund's overall investment objective.

With respect to the global investment grade corporate bonds and non-investment grade bonds portion of the Fund's portfolio, the Investment Manager will also apply ESG screens when selecting the investments to be held by the Fund. The Investment Manager will seek to limit and/or exclude direct investment in issuers within the Benchmark Indices (as well as issuers in which the Fund directly invests) which have exposure to, or ties with, sectors which include, but are not limited to:

1. issuers which are engaged in, or are otherwise exposed to the production of controversial weapons (including but not limited to cluster munitions, biological-chemical, landmine, depleted uranium, blinding laser or incendiary weapons); or
2. issuers deriving any revenue from direct involvement in the production of nuclear weapons or nuclear weapon components, or the provision of auxiliary services related to nuclear weapons; or
3. issuers which produce firearms and small arms ammunition intended for retail to civilians, or derive more than a specific portion of their revenue from the sale of firearms and small arms ammunition to civilians; or
4. issuers deriving more than a specific portion of their revenue from thermal coal extraction and thermal coal based power generation; or
5. issuers deriving more than a specific portion of their revenue from the production and distribution of tar sands and oil sands; or
6. issuers which produce tobacco and/or tobacco-related products or which derive more than a specific portion of their revenue from the distribution, retailing and/or licensing of tobacco and/or tobacco-related products; or
7. issuers which fail to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anti-corruption); or
8. issuers involved in such other activities which the Investment Manager has determined (in its absolute discretion) conflict with the Investment Manager's consideration of ESG characteristics.



To undertake this analysis, the Investment Manager may use data generated internally within the Investment Manager or provided by one or more external ESG research providers. Further information about the ESG screens used by the Investment Manager, including information on how the limits and exclusions (as set out in the above paragraph) are applied, can be obtained from the Investment Manager on request. The Fund's asset allocation will not be solely driven by this analysis, rather such considerations will be utilised by the Investment Manager in determining whether an investment may be appropriate for the Fund.

The Fund may also invest in other asset classes to give the Fund the best chance of achieving its investment objective and/or for liquidity purposes. These other asset classes include collective investment schemes (i.e. other investment funds which may be Associated Funds), cash, assets that can be turned into cash quickly and deposits.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to help achieve the Fund's investment objective. Derivatives may also be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM").

## Fund Benchmarks

Target Benchmark: The composite of the Benchmark Indices is used by the Investment Manager to assess the performance of the Fund. The Fund's aim is to outperform the composite benchmark performance of the Benchmark Indices. The Benchmark Indices have been chosen because they form part of the investment objective of the Fund and should be used by unitholders to compare the performance of the Fund.

Key information about Classes of units in the Fund			
Class	D	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	Accumulation - Yes Income - Yes	Accumulation - Yes Income - Yes	Accumulation - Yes Income - Yes
Minimum initial investment and minimum holding (see also section 16)	£100,000	£1,000,000	£10,000,000
Subsequent minimum	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250
Preliminary charge (see also section 27(a))	Nil	Nil	Nil
Annual management charge (see also section 27(a))	0.20%	0.20%	Nil
Discount to Annual management charge	<b>Assets Under Management</b>		Not Applicable
	<b>Discount to the Annual Management Charge<sup>^</sup></b>		
	<b>£0-1 billion</b>	No discount	
	<b>£1-3 billion</b>	5% incremental discount	
	<b>£3-5 billion</b>	7% incremental discount	
	<b>£5+ billion</b>	8% incremental discount	
Annual service charge (see also section 27(a))	0.04%	£12	£12

<sup>^</sup> With effect from 6 October 2023, the following discounts will apply to the annual management charge for Class D and I units. Further details are given in the paragraph titled "Discounts to the annual management charge" in this Prospectus.

Information about dealing, valuation and accounting dates	
Determination of unit price	Single-Priced Fund
Dealing day	Normally daily between 8.30 am and 5.30 pm
Dealing cut off point	12 noon
Valuation point	12 noon
Initial Offer Period	8.30 am to 12 noon on 22 July 2019 or such later date as the Manager may determine in its sole discretion.

	During the initial offer period the initial offer price of Class D Accumulation units, Class D Income units, Class I Accumulation units, Class I Income units Class X Accumulation units and Class X Income units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.
Annual accounting date	The last day of February
Annual income allocation date	30 April
Half-yearly accounting date	31 August
Half-yearly income allocation date	31 October
Risk management measure used	Relative VaR using the following, which make up the composite index, weighted equally: Bloomberg Barclays Global Aggregate Corporate GBP Hedged Index, BBG Barclays Global High Yield Index Excl CMBS & EMG 2% Capped GBP Hedged Index and J.P. Morgan EMBI ESG Global Diversified GBP Hedged Index.

## **BlackRock Sustainable Sterling Short Duration Credit Fund**

BlackRock Sustainable Sterling Short Duration Credit Fund is a sub-fund of BlackRock Investment Funds, a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 4 July 2019. The Fund's FCA product reference number is 846300.

### **Investment Objective**

The aim of the Fund is to provide a return on your investment over a period of between 1 to 3 consecutive years beginning at the point of investment, (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) of 1.5% per annum (gross of fees) over the return of SONIA compounded in arrears in a manner consistent with the principles of sustainable investment.

Although the Fund aims to achieve its investment objective there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment Policy**

In seeking to achieve its investment objective, the Fund will invest at least 50% of its total assets in a range of Sterling denominated fixed income securities (i.e. bonds) issued by companies and supranationals (e.g. the International Bank for Reconstruction and Development). The Fund may also invest in a full range of available fixed income securities without geographical restriction, including non-Sterling denominated fixed income securities, investment grade and non-investment grade (i.e. securities which have a relatively low credit rating or which are unrated) fixed income securities and fixed income securities issued by governments and government agencies. Investment in non-investment grade fixed income securities by the Fund is expected to be limited to 10% of the Fund's total assets. It is expected that the Fund will only invest in fixed income securities that mature (i.e. the date on which the principal amount of a bond is to be repaid in full) within 5 years or less, at the time of investment, however in certain market conditions, the Fund may occasionally invest in fixed income securities with a longer maturity in order to achieve the investment objective.

Where the Fund invests in assets denominated in a currency other than Sterling, the Investment Manager will use derivatives (i.e. investments the prices of which are based on one or more underlying assets) to seek to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to help achieve the Fund's investment objective. Derivatives may also be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM").

The Fund may also invest in other asset classes to give the Fund the best chance of achieving its investment objective and/or for liquidity purposes. These other asset classes include direct investment in collective investment schemes (i.e. other investment funds which may be Associated Funds), cash and money market instruments (i.e. debt securities with short-term maturities) or assets that can be turned into cash quickly.

The base currency of the Fund is Sterling.

### **Sustainable Policy**

In respect only of the corporate issuers (i.e. companies) in which the Fund invests, the Investment Manager expects to achieve, as calculated at the end of each calendar quarter, a carbon emission intensity score (a measurement of an issuer's carbon emissions relative to its sales) for the Fund's portfolio of 20% less than the ICE BAML 1-5 Year Global Corporate Index (the "Index"). There can be no guarantee that this reduction will be achieved and the carbon emission intensity score of the Fund's portfolio may vary. The Index has been chosen because it is representative of the universe of fixed income securities issued by corporate issuers (only) in which the Fund invests without the application of any ESG criteria. The Fund's carbon emission intensity score is measured against the Index, but the Index is not used by the Investment Manager to constrain the investment universe of the Fund.

The carbon emission intensity score of the Fund's portfolio will be calculated based on the carbon emission intensity scores attributed to the corporate issuers only of the securities in which the Fund invests. Securities issued by non-corporate issuers in which the Fund invests such as fixed income securities issued by governments, government agencies and supranationals, which may (in aggregate) represent a material portion of the Fund's total assets, are not included.

The Fund applies the BlackRock EMEA Baseline Screens, whereby the Investment Manager will seek to limit and/or exclude (as applicable) direct investment 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:

- (a) the production of certain types of controversial weapons;
- (b) the distribution or production of firearms or small arms ammunition intended for retail to civilians;
- (c) the extraction of certain types of fossil fuel and/or the generation of power from them;
- (d) the production of tobacco products or certain activities in relation to tobacco-related products; and
- (e) issuers which have been deemed to have failed to comply with UN Global Compact Principles.

A full list of the limits and/or exclusions being applied by the Investment Manager at any time in accordance with the above BlackRock EMEA Baseline Screens (including any specific threshold criteria) is available at <https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf>.

The Fund will use the Investment Manager's proprietary sustainability evaluation methodology (the "Methodology") to evaluate whether issuers and/or securities (not already excluded by the BlackRock EMEA Baseline Screens) display positive or negative sustainability characteristics. Under the Methodology, issuers and securities are evaluated as displaying positive sustainability characteristics where, in the Investment Manager's assessment, they 1) generate positive ESG externalities (i.e. beneficial ESG impacts to third parties), such as (i) bonds issued by intranational organisations (such as development banks), (ii) green, social or sustainable bonds (i.e. bonds where the proceeds of the issuance are used for projects that have green, social or sustainable goals respectively), and (iii) companies that generate material revenues from sustainable impact categories (such as education, alternative energy and pollution prevention), (2) are issuers considered best in class ESG performers (as demonstrated, for example, by high third party ESG ratings relative to their peers), and/or (3) are issuers that are considered to be rapidly reducing their carbon emissions. Issuers and/or securities are evaluated as displaying negative sustainability characteristics where, in the Investment Manager's assessment, they 1) generate negative externalities (i.e. harmful ESG impacts to third parties), such as issuers generating material revenue from activities such as the production of fossil fuels, tobacco or controversial weapons (to the extent not already excluded/limited by the BlackRock EMEA Baseline Screens), and/or 2) are issuers that are considered the worst in class ESG performers (as demonstrated, for example, by low third party ESG ratings relative to their peers)

The Investment Manager will use its evaluation of which issuers and/or securities display positive or negative sustainability characteristics from the Methodology (as set out above) to weight the Fund's portfolio towards issuers that display the former and away from issuers that display the latter. The Fund may continue to invest in issuers and/or securities that, in its evaluation, display negative sustainability characteristics (though only to a very limited extent, consistent with this weighting methodology, and subject to the exclusions/limitations of the BlackRock EMEA Baseline Screens). and may also continue to invest in issuers and/or securities evaluated as not having positive or negative sustainability characteristics or whose characteristics are identified as unclear by the evaluation (for example where the available data is inadequate).

The BlackRock EMEA Baseline Screens and the Methodology use a variety of data inputs generated by the Investment Manager, its affiliates and/or one or more external research providers. It is the Investment Manager's intention that the Methodology and the BlackRock EMEA Baseline Screens policy will evolve over time as improved data and more research on sustainability and ESG criteria becomes available.

Further information about the BlackRock EMEA Baseline Screens including information on how the limits and exclusions (as set out in this ESG Policy above) are applied, can be obtained from the Investment Manager on request. The full list of BlackRock EMEA Baseline Screens 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 unitholders. Should existing holdings, compliant at the time of investment with the BlackRock EMEA Baseline Screens, subsequently become ineligible, they will be divested by the Fund within a reasonable period of time (not expected to exceed 90 days).

The Fund may gain limited indirect exposure (through, including but not limited to, derivatives, cash and assets that can be turned into cash quickly, shares or units of collective investment schemes (CIS)) to issuers with exposures that do not meet the ESG criteria 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 CIS 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.

## Fund Benchmark

Target benchmark: 3-month SONIA compounded in arrears plus 1.5% is used by the Investment Manager to assess the performance of the Fund. This benchmark has been chosen because it forms part of the investment objective of the Fund and should be used by unitholders to compare the performance of the Fund.

The Fund's carbon emission intensity score is measured against the ICE BAML 1-5 Year Global Corporate Index. This index has been chosen because it is representative of the universe of fixed income securities issued by corporate issuers in which the Fund invests without the application of any ESG criteria.

Key information about Classes of units in the Fund			
Class	D	I	X
Type of units	Accumulation and Income	Accumulation and Income	Accumulation and Income
Current availability	Accumulation – Yes Income – At the Manager's discretion	Accumulation – Yes Income – At the Manager's discretion	Accumulation – Yes Income – Yes
Minimum initial investment and minimum holding (see also section 16)	£100,000	£1,000,000	£10,000,000
Subsequent minimum	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250
Preliminary charge (see also section 27(a))	Nil	Nil	Nil
Annual management charge (see also section 27(a))	0.15%	0.15%	Nil
Discount to annual management charge (see also section 27(a))	<b>Assets Under Management</b>		Not Applicable
	<b>Discount to the Annual Management Charge<sup>^</sup></b>		
	£0-1 billion	No discount	
	£1-3 billion	5% incremental discount	
	£3-5 billion	7% incremental discount	
	£5+ billion	8% incremental discount	
Annual service charge (see also section 27(a))	0.04%	£12	£12

<sup>^</sup> With effect from 6 October 2023, the following discounts will apply to the annual management charge for Class D and I units. Further details are given in the paragraph titled "Discounts to the annual management charge" in this Prospectus.

Information about dealing, valuation and accounting dates	
Determination of unit price	Dual-Priced Fund
Dealing day	Normally daily between 8.30 am and 5.30 pm
Dealing cut off point	12 noon
Valuation point	12 noon
Annual accounting date	The last day of February
Annual income allocation date	30 April



<i>Half-yearly accounting date</i>	31 August
<i>Half-yearly income allocation date</i>	31 October
<i>Risk management measure used</i>	Absolute VaR (benchmark not relevant)

## **BlackRock LifePath Retirement Fund**

BlackRock LifePath Retirement Fund is a sub-fund of BlackRock Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 3 November 2023. The Fund's FCA product reference number is 1006670.

### **Investment objective**

The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) over the long term (five or more consecutive years).

Although the Fund aims to deliver a return on your investment, there is no guarantee that this will be achieved over this time period, or any time period and the Fund may experience periods of no return. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment policy**

In seeking to achieve its investment objective, the Fund will seek to maintain a portfolio of investments providing exposure (save for any investments for liquidity or EPM purposes and limited exposure to commodities as described below) to approximately 50 to 70% in fixed income securities with the balance in equity securities.

The Fund will invest at least 70% of its total assets in units of collective investment schemes (i.e. other investment funds). These collective investment schemes (which are expected to be either index tracker funds, or funds which otherwise use an index for portfolio construction purposes, and will typically be Associated Funds) may gain exposure globally to: equity securities (i.e. shares), fixed income securities (i.e. both government and non-government bonds) and on a limited basis, to commodities. Any such exposure to commodities will be achieved by the Fund investing in commodity funds (i.e. collective investment funds that either invest in commodities themselves or use one or more derivatives to gain exposure to commodities) and the aggregate investment in such commodity funds is not expected to exceed 10% of the Fund's total assets.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include direct investment (i.e. not through collective investment schemes) in equity securities and fixed income securities, money market instruments (i.e. debt securities with short-term maturities, such as treasury bills, certificates of deposit and commercial paper), cash or assets that can be turned into cash quickly. The fixed income securities in which the Fund invests (whether directly or indirectly) may be investment grade or from time to time may be non-investment grade or unrated.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to further the Fund's investment objective, to seek to reduce risk (relevant to the investment objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). They will also be used with the specific aim of hedging foreign currency exposures back to Sterling.

### **Investment Process and ESG**

As part of its investment process, the Investment Manager applies the following ESG commitments at a portfolio level to its selection of collective investment schemes:

- 1) Of the total value of the assets at any time that the Fund invests in collective investment schemes that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor).
- 2) Of the assets that the Fund invests in collective investment schemes other than Government Bond Funds and commodity funds ("CIS"), the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply ESG criteria (as detailed below) within their investment processes.

To satisfy this commitment, the Investment Manager will, in respect of any CIS in which it is considering an investment for the Fund, analyse its investment objective and policy and how its investments are selected, including (where relevant) the methodology of any benchmark index that it uses, to identify the ESG criteria (if any) that it applies. The ESG criteria may be applied by the CIS tracking, or otherwise using for portfolio construction purposes, a benchmark index that itself applies ESG criteria, or they may be applied separately. The ESG criteria will include (i) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from

fossil fuels like thermal coal and tar sands) and/or (ii) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

In respect of each commitment, if the Fund ceases to meet the commitment at any time (for example, because a collective investment scheme in which it is invested no longer complies with the relevant rating requirements or applies ESG criteria as described above (as applicable)), the Fund will take steps to seek to rebalance its portfolio to meet the commitment within a reasonable period of time.

Investors should note that the ESG commitments above will not be applied to collective investment schemes in which the Fund invests for EPM purposes.

The Investment Manager will monitor the application of the ESG commitments described above by measuring the 'ESG score' of the Fund's portfolio (as defined in section 35(a) of the Prospectus) and the 'carbon emission intensity score' of the Fund's portfolio (as defined in section 35(b) of the Prospectus), including by reference to a "Reference Comparator" (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments, as further described in section 35(c) of the Prospectus).

Further information regarding the ongoing monitoring of the Fund's ESG commitments will be made available to unitholders on request in the form of a quarterly report.

### Fund benchmarks

The Fund is not managed to a benchmark and there is not a benchmark against which the performance of the Fund can appropriately be assessed. However, unitholders may compare the performance of the Fund against other funds within the Morningstar® EAA Fund Target Date 2021 - 2025 category. The Manager considers that these sectors best reflect the investment strategy of the Fund as a means to assess the performance of the Fund.

For the purposes of monitoring the application of the Fund's ESG commitments (as described above), the carbon emission intensity score and ESG score of the Fund's portfolio are measured against the Reference Comparator.

<b>Key information about Classes of units in the Fund</b>			
<i>Class</i>	<b>D</b>	<b>S</b>	<b>X</b>
<i>Type of units</i>	Accumulation	Accumulation	Accumulation
<i>Current availability</i>	Accumulation – Yes	Accumulation – Yes	Accumulation - Yes
<i>Minimum initial investment and minimum holding (see also section 16)</i>	£100,000	£50,000,000	£10,000,000
<i>Subsequent minimum</i>	£100	£100	£100
<i>Minimum withdrawal (see also section 16)</i>	£250	£250	£250
<i>Preliminary charge (see also section 27(a))</i>	Nil	5.00%	Nil
<i>Annual management charge (see also section 27(a))</i>	0.17%	0.13%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.03%	0.03%
<b>Information about dealing, valuation and accounting dates</b>			
<i>Determination of unit price</i>	Single-Priced Fund		
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm		
<i>Dealing cut off point</i>	10:00 am		

<i>Valuation point</i>	12 noon
<i>Initial Offer Period</i>	<p>8.30 am to 12 noon on 6 December 2023 or such later date as the Manager may determine in its sole discretion.</p> <p>During the initial offer period the initial offer price of Class D Accumulation units, Class S Accumulation units and Class X Accumulation units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.</p>
<i>Annual accounting date</i>	The last day of February
<i>Annual income allocation date</i>	30 April
<i>Half-yearly accounting date</i>	31 August
<i>Risk management measure used</i>	Commitment Approach

## **BlackRock LifePath Target Date Fund 2030**

BlackRock LifePath Target Date Fund 2030 is a sub-fund of BlackRock Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 3 November 2023. The Fund's FCA product reference number is 1006671.

### **Investment objective**

The Fund is a target date retirement fund designed for investors expecting to retire or begin withdrawing assets around the year 2030, specifically between the years 2028 and 2032. The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time.

Although the Fund aims to deliver a return on your investment in line with the target date of the Fund, there is no guarantee that this will be achieved over this time period, or any time period and the Fund may experience periods of no return. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment policy**

In seeking to achieve its investment objective, the Fund will invest at least 70% of its total assets in units of collective investment schemes (i.e. other investment funds). These collective investment schemes (which are expected to be either index tracker funds, or funds which otherwise use an index for portfolio construction purposes, and will typically be Associated Funds) may gain exposure globally to: equity securities (i.e. shares), fixed income securities (i.e. both government and non-government bonds) and on a limited basis, to commodities. Any such exposure to commodities will be achieved by the Fund investing in commodity funds (i.e. collective investment funds that either invest in commodities themselves or use one or more derivatives to gain exposure to commodities) and the aggregate investment in such commodity funds will not exceed 10% of the Fund's total assets.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes however this exposure will not exceed 30% of the Fund's total assets. These other asset classes include direct investment (i.e. not through collective investment schemes) in equity securities and fixed income securities, money market instruments (i.e. debt securities with short-term maturities, such as treasury bills, certificates of deposit and commercial paper), cash or assets that can be turned into cash quickly. The fixed income securities in which the Fund invests (whether directly or indirectly) may be investment grade or from time to time may be non-investment grade or unrated.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to achieve the Fund's investment objective, to seek to reduce risk (relevant to the investment objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). They will also be used with the specific aim of hedging foreign currency exposures back to Sterling.

The maturity date of the fund is 30 June 2030. The Fund will adjust its investment strategy to be more conservative to risk as it progresses towards its maturity date, from a portfolio of units of collective investment schemes which gain exposure to approximately 55% equity securities (which are generally considered to be more risky compared to fixed income securities), towards a target portfolio composition on maturity of units of collective investment schemes which gain exposure to approximately 50%-70% fixed income securities (which are generally considered to be less risky compared to equity securities) and 30%-50% equity securities. These allocations exclude any investments made by the Fund for liquidity or EPM purposes and any exposure to commodities. It is intended that the Fund will remain invested in accordance with its target portfolio composition on maturity for at least 30 months after its maturity date, after which time unitholders will be informed of the intention to terminate the Fund.

It is expected that the Fund will have a final asset composition via units of collective investment schemes of approximately 50%-70% in fixed-income securities and 30%-50% in equity securities.

Investors should note that similar strategies in other investment vehicles, such as the BlackRock Authorised Contractual Scheme I, may offer different returns due to their tax treatment.

### **Investment Process and ESG**

As part of its investment process, the Investment Manager applies the following ESG commitments at a portfolio level to its selection of collective investment schemes:

- 1) Of the total value of the assets at any time that the Fund invests in collective investment schemes that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG



sovereign rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor).

- 2) Of the assets that the Fund invests in collective investment schemes other than Government Bond Funds and commodity funds (“CIS”), the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply ESG criteria (as detailed below) within their investment processes.

To satisfy this commitment, the Investment Manager will, in respect of any CIS in which it is considering an investment for the Fund, analyse its investment objective and policy and how its investments are selected, including (where relevant) the methodology of any benchmark index that it uses, to identify the ESG criteria (if any) that it applies. The ESG criteria may be applied by the CIS tracking, or otherwise using for portfolio construction purposes, a benchmark index that itself applies ESG criteria, or they may be applied separately. The ESG criteria will include (i) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or (ii) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

In respect of each commitment, if the Fund ceases to meet the commitment at any time (for example, because a collective investment scheme in which it is invested no longer complies with the relevant rating requirements or applies ESG criteria as described above (as applicable)), the Fund will take steps to seek to rebalance its portfolio to meet the commitment within a reasonable period of time.

Investors should note that the ESG commitments above will not be applied to collective investment schemes in which the Fund invests for EPM purposes.

The Investment Manager will monitor the application of the ESG commitments described above by measuring the ‘ESG score’ of the Fund’s portfolio (as defined in section 35(a) of the Prospectus) and the ‘carbon emission intensity score’ of the Fund’s portfolio (as defined in section 35(b) of the Prospectus), including by reference to a “Reference Comparator” (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments, as further described in section 35(c) of the Prospectus).

Further information regarding the ongoing monitoring of the Fund’s ESG commitments will be made available to unitholders on request in the form of a quarterly report.

### Fund benchmarks

The Fund is not managed to a benchmark and there is not a benchmark against which the performance of the Fund can appropriately be assessed. However, unitholders may compare the performance of the Fund against other funds within the Morningstar® EAA Fund Target Date 2026 - 2030 category. The Manager considers that these sectors best reflect the investment strategy of the Fund as a means to assess the performance of the Fund.

For the purposes of monitoring the application of the Fund’s ESG commitments(as described above), the carbon emission intensity score and ESG score of the Fund’s portfolio are measured against the Reference Comparator.

Upon termination, unitholders’ units will be redeemed, however unitholders may switch their holdings into other products. Other products in the BlackRock LifePath range exist which have investment objectives and policies that are similar to that of the Fund after the Fund’s maturity date.

Key information about Classes of units in the Fund			
Class	D	S	X
Type of units	Accumulation	Accumulation	Accumulation
Current availability	Accumulation – Yes	Accumulation – Yes	Accumulation - Yes
Minimum initial investment and minimum holding (see also section 16)	£100,000	£50,000,000	£10,000,000
Subsequent minimum	£100	£100	£100

<i>Minimum withdrawal (see also section 16)</i>	£250	£250	£250
<i>Preliminary charge (see also section 27(a))</i>	Nil	5.00%	Nil
<i>Annual management charge (see also section 27(a))</i>	0.17%	0.13%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.03%	0.03%
<b>Information about dealing, valuation and accounting dates</b>			
<i>Determination of unit price</i>	Single-Priced Fund		
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm		
<i>Dealing cut off point</i>	10:00 am		
<i>Valuation point</i>	12 noon		
<i>Initial Offer Period</i>	<p>8.30 am to 12 noon on 6 December 2023 or such later date as the Manager may determine in its sole discretion.</p> <p>During the initial offer period the initial offer price of Class D Accumulation units, Class S Accumulation units and Class X Accumulation units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.</p>		
<i>Annual accounting date</i>	The last day of February		
<i>Annual income allocation date</i>	30 April		
<i>Half-yearly accounting date</i>	31 August		
<i>Risk management measure used</i>	Commitment Approach		

## **BlackRock LifePath Target Date Fund 2035**

BlackRock LifePath Target Date Fund 2035 is a sub-fund of BlackRock Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 3 November 2023. The Fund's FCA product reference number is 1006672.

### **Investment objective**

The Fund is a target date retirement fund designed for investors expecting to retire or begin withdrawing assets around the year 2035, specifically between the years 2033 and 2037. The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time.

Although the Fund aims to deliver a return on your investment in line with the target date of the Fund, there is no guarantee that this will be achieved over this time period, or any time period and the Fund may experience periods of no return. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment policy**

In seeking to achieve its investment objective, the Fund will invest at least 70% of its total assets in units of collective investment schemes (i.e. other investment funds). These collective investment schemes (which are expected to be either index tracker funds, or funds which otherwise use an index for portfolio construction purposes, and will typically be Associated Funds) may gain exposure globally to: equity securities (i.e. shares), fixed income securities (i.e. both government and non-government bonds) on a limited basis, to commodities. Any such exposure to commodities will be achieved by the Fund investing in commodity funds (i.e. collective investment funds that either invest in commodities themselves or use one or more derivatives to gain exposure to commodities) and the aggregate investment in such commodity funds will not exceed 10% of the Fund's total assets.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes however this exposure will not exceed 30% of the Fund's total assets. These other asset classes include direct investment (i.e. not through collective investment schemes) in equity securities and fixed income securities, money market instruments (i.e. debt securities with short-term maturities, such as treasury bills, certificates of deposit and commercial paper), cash or assets that can be turned into cash quickly. The fixed income securities in which the Fund invests (whether directly or indirectly) may be investment grade or from time to time may be non-investment grade or unrated.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to achieve the Fund's investment objective, to seek to reduce risk (relevant to the investment objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). They will also be used with the specific aim of hedging foreign currency exposures back to Sterling.

The maturity date of the fund is 30 June 2035. The Fund will adjust its investment strategy to be more conservative to risk as it progresses towards its maturity date, from a portfolio of units of collective investment schemes which gain exposure to approximately 65% equity securities (which are generally considered to be more risky compared to fixed income securities), towards a target portfolio composition on maturity of units of collective investment schemes which gain exposure to approximately 50%-70% fixed income securities (which are generally considered to be less risky compared to equity securities) and 30%-50% equity securities. These allocations exclude any investments made by the Fund for liquidity or EPM purposes and any exposure to commodities. It is intended that the Fund will remain invested in accordance with its target portfolio composition on maturity for at least 30 months after its maturity date, after which time unitholders will be informed of the intention to terminate the Fund.

It is expected that the Fund will have a final asset composition via units of collective investment schemes of approximately 50%-70% in fixed-income securities and 30%-50% in equity securities.

Investors should note that similar strategies in other investment vehicles, such as the BlackRock Authorised Contractual Scheme I, may offer different returns due to their tax treatment.

### **Investment Process and ESG**

As part of its investment process, the Investment Manager applies the following ESG commitments at a portfolio level to its selection of collective investment schemes:

- 1) Of the total value of the assets at any time that the Fund invests in collective investment schemes that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor).

- 2) Of the assets that the Fund invests in collective investment schemes other than Government Bond Funds and commodity funds (“CIS”), the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply ESG criteria (as detailed below) within their investment processes.

To satisfy this commitment, the Investment Manager will, in respect of any CIS in which it is considering an investment for the Fund, analyse its investment objective and policy and how its investments are selected, including (where relevant) the methodology of any benchmark index that it uses, to identify the ESG criteria (if any) that it applies. The ESG criteria may be applied by the CIS tracking, or otherwise using for portfolio construction purposes, a benchmark index that itself applies ESG criteria, or they may be applied separately. The ESG criteria will include (i) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or (ii) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

In respect of each commitment, if the Fund ceases to meet the commitment at any time (for example, because a collective investment scheme in which it is invested no longer complies with the relevant rating requirements or applies ESG criteria as described above (as applicable)), the Fund will take steps to seek to rebalance its portfolio to meet the commitment within a reasonable period of time.

Investors should note that the ESG commitments above will not be applied to collective investment schemes in which the Fund invests for EPM purposes.

The Investment Manager will monitor the application of the ESG commitments described above by measuring the ‘ESG score’ of the Fund’s portfolio (as defined in section 35(a) of the Prospectus) and the ‘carbon emission intensity score’ of the Fund’s portfolio (as defined in section 35(b) of the Prospectus), including by reference to a “Reference Comparator” (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments, as further described in section 35(c) of the Prospectus).

Further information regarding the ongoing monitoring of the Fund’s ESG commitments will be made available to unitholders on request in the form of a quarterly report.

### Fund benchmarks

The Fund is not managed to a benchmark and there is not a benchmark against which the performance of the Fund can appropriately be assessed. However, unitholders may compare the performance of the Fund against other funds within the Morningstar® EAA Fund Target Date 2031 – 2035 category. The Manager considers that these sectors best reflect the investment strategy of the Fund as a means to assess the performance of the Fund.

For the purposes of monitoring the application of the Fund’s ESG commitments (as described above), the carbon emission intensity score and ESG score of the Fund’s portfolio are measured against the Reference Comparator.

Upon termination, unitholders’ units will be redeemed, however unitholders may switch their holdings into other products. Other products in the BlackRock LifePath range exist which have investment objectives and policies that are similar to that of the Fund after the Fund’s maturity date.

Key information about Classes of units in the Fund			
Class	D	S	X
Type of units	Accumulation	Accumulation	Accumulation
Current availability	Accumulation – Yes	Accumulation – Yes	Accumulation – Yes
Minimum initial investment and minimum holding (see also section 16)	£100,000	£50,000,000	£10,000,000
Subsequent minimum	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250

<i>Preliminary charge (see also section 27(a))</i>	Nil	5.00%	Nil
<i>Annual management charge (see also section 27(a))</i>	0.17%	0.13%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.03%	0.03%
<b>Information about dealing, valuation and accounting dates</b>			
<i>Determination of unit price</i>	Single-Priced Fund		
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm		
<i>Dealing cut off point</i>	10:00 am		
<i>Valuation point</i>	12 noon		
<i>Initial Offer Period</i>	<p>8.30 am to 12 noon on 6 December 2023 or such later date as the Manager may determine in its sole discretion.</p> <p>During the initial offer period the initial offer price of Class D Accumulation units, Class S Accumulation units and Class X Accumulation units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.</p>		
<i>Annual accounting date</i>	The last day of February		
<i>Annual income allocation date</i>	30 April		
<i>Half-yearly accounting date</i>	31 August		
<i>Risk management measure used</i>	Commitment Approach		



## **BlackRock LifePath Target Date Fund 2040**

BlackRock LifePath Target Date Fund 2040 is a sub-fund of BlackRock Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 3 November 2023. The Fund's FCA product reference number is 1006673.

### **Investment objective**

The Fund is a target date retirement fund designed for investors expecting to retire or begin withdrawing assets around the year 2040, specifically between the years 2038 and 2042. The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time.

Although the Fund aims to deliver a return on your investment in line with the target date of the Fund, there is no guarantee that this will be achieved over this time period, or any time period and the Fund may experience periods of no return. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment policy**

In seeking to achieve its investment objective, the Fund will invest at least 70% of its total assets in units of collective investment schemes (i.e. other investment funds). These collective investment schemes (which are expected to be either index tracker funds, or funds which otherwise use an index for portfolio construction purposes, and will typically be Associated Funds) may gain exposure globally to: equity securities (i.e. shares), fixed income securities (i.e. both government and non-government bonds) and on a limited basis, to commodities. Any such exposure to commodities will be achieved by the Fund investing in commodity funds (i.e. collective investment funds that either invest in commodities themselves or use one or more derivatives to gain exposure to commodities) and the aggregate investment in such commodity funds will not exceed 10% of the Fund's total assets.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes however this exposure will not exceed 30% of the Fund's total assets. These other asset classes include direct investment (i.e. not through collective investment schemes) in equity securities and fixed income securities, money market instruments (i.e. debt securities with short-term maturities, such as treasury bills, certificates of deposit and commercial paper), cash or assets that can be turned into cash quickly. The fixed income securities in which the Fund invests (whether directly or indirectly) may be investment grade or from time to time may be non-investment grade or unrated.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to achieve the Fund's investment objective, to seek to reduce risk (relevant to the investment objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). They will also be used with the specific aim of hedging foreign currency exposures back to Sterling.

The maturity date of the fund is 30 June 2040. The Fund will adjust its investment strategy to be more conservative to risk as it progresses towards its maturity date, from a portfolio of units of collective investment schemes which gain exposure to approximately 75% equity securities (which are generally considered to be more risky compared to fixed income securities), towards a target portfolio composition on maturity of units of collective investment schemes which gain exposure to approximately 50%-70% fixed income securities (which are generally considered to be less risky compared to equity securities) and 30%-50% equity securities. These allocations exclude any investments made by the Fund for liquidity or EPM purposes and any exposure to commodities. It is intended that the Fund will remain invested in accordance with its target portfolio composition on maturity for at least 30 months after its maturity date, after which time unitholders will be informed of the intention to terminate the Fund.

It is expected that the Fund will have a final asset composition via units of collective investment schemes of approximately 50%-70% in fixed-income securities and 30%-50% in equity securities.

Investors should note that similar strategies in other investment vehicles, such as the BlackRock Authorised Contractual Scheme I, may offer different returns due to their tax treatment.

### **Investment Process and ESG**

As part of its investment process, the Investment Manager applies the following ESG commitments at a portfolio level to its selection of collective investment schemes:

- 1) Of the total value of the assets at any time that the Fund invests in collective investment schemes that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor).

- 2) Of the assets that the Fund invests in collective investment schemes other than Government Bond Funds and commodity funds (“CIS”), the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply ESG criteria (as detailed below) within their investment processes.

To satisfy this commitment, the Investment Manager will, in respect of any CIS in which it is considering an investment for the Fund, analyse its investment objective and policy and how its investments are selected, including (where relevant) the methodology of any benchmark index that it uses, to identify the ESG criteria (if any) that it applies. The ESG criteria may be applied by the CIS tracking, or otherwise using for portfolio construction purposes, a benchmark index that itself applies ESG criteria, or they may be applied separately. The ESG criteria will include (i) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or (ii) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

In respect of each commitment, if the Fund ceases to meet the commitment at any time (for example, because a collective investment scheme in which it is invested no longer complies with the relevant rating requirements or applies ESG criteria as described above (as applicable)), the Fund will take steps to seek to rebalance its portfolio to meet the commitment within a reasonable period of time.

Investors should note that the ESG commitments above will not be applied to collective investment schemes in which the Fund invests for EPM purposes.

The Investment Manager will monitor the application of the ESG commitments described above by measuring the ‘ESG score’ of the Fund’s portfolio (as defined in section 35(a) of the Prospectus) and the ‘carbon emission intensity score’ of the Fund’s portfolio (as defined in section 35(b) of the Prospectus), including by reference to a “Reference Comparator” (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments, as further described in section 35(c) of the Prospectus).

Further information regarding the ongoing monitoring of the Fund’s ESG commitments will be made available to unitholders on request in the form of a quarterly report.

### Fund benchmarks

The Fund is not managed to a benchmark and there is not a benchmark against which the performance of the Fund can appropriately be assessed. However, unitholders may compare the performance of the Fund against other funds within the Morningstar® EAA Fund Target Date 2036 – 2040 category. The Manager considers that these sectors best reflect the investment strategy of the Fund as a means to assess the performance of the Fund.

For the purposes of monitoring the application of the Fund’s ESG commitments (as described above), the carbon emission intensity score and ESG score of the Fund’s portfolio are measured against the Reference Comparator.

Upon termination, unitholders’ units will be redeemed, however unitholders may switch their holdings into other products. Other products in the BlackRock LifePath range exist which have investment objectives and policies that are similar to that of the Fund after the Fund’s maturity date.

Key information about Classes of units in the Fund			
Class	D	S	X
Type of units	Accumulation	Accumulation	Accumulation
Current availability	Accumulation – Yes	Accumulation – Yes	Accumulation – Yes
Minimum initial investment and minimum holding (see also section 16)	£100,000	£50,000,000	£10,000,000
Subsequent minimum	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250

<i>Preliminary charge (see also section 27(a))</i>	Nil	5.00%	Nil
<i>Annual management charge (see also section 27(a))</i>	0.17%	0.13%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.03%	0.03%
<b>Information about dealing, valuation and accounting dates</b>			
<i>Determination of unit price</i>	Single-Priced Fund		
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm		
<i>Dealing cut off point</i>	10:00 am		
<i>Valuation point</i>	12 noon		
<i>Initial Offer Period</i>	<p>8.30 am to 12 noon on 6 December 2023 or such later date as the Manager may determine in its sole discretion.</p> <p>During the initial offer period the initial offer price of Class D Accumulation units, Class S Accumulation units and Class X Accumulation units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.</p>		
<i>Annual accounting date</i>	The last day of February		
<i>Annual income allocation date</i>	30 April		
<i>Half-yearly accounting date</i>	31 August		
<i>Risk management measure used</i>	Commitment Approach		

## **BlackRock LifePath Target Date Fund 2045**

BlackRock LifePath Target Date Fund 2045 is a sub-fund of BlackRock Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 3 November 2023. The Fund's FCA product reference number is 1006674.

### **Investment objective**

The Fund is a target date retirement fund designed for investors expecting to retire or begin withdrawing assets around the year 2045, specifically between the years 2043 and 2047. The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time.

Although the Fund aims to deliver a return on your investment in line with the target date of the Fund, there is no guarantee that this will be achieved over this time period, or any time period and the Fund may experience periods of no return. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment policy**

In seeking to achieve its investment objective, the Fund will invest at least 70% of its total assets in units of collective investment schemes (i.e. other investment funds). These collective investment schemes (which are expected to be either index tracker funds, or funds which otherwise use an index for portfolio construction purposes, and will typically be Associated Funds) may gain exposure globally to: equity securities (i.e. shares), fixed income securities (i.e. both government and non-government bonds) on a limited basis, to commodities. Any such exposure to commodities will be achieved by the Fund investing in commodity funds (i.e. collective investment funds that either invest in commodities themselves or use one or more derivatives to gain exposure to commodities) and the aggregate investment in such commodity funds is will not exceed 10% of the Fund's total assets.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes however this exposure will not exceed 30% of the Fund's total assets. These other asset classes include direct investment (i.e. not through collective investment schemes) in equity securities and fixed income securities, money market instruments (i.e. debt securities with short-term maturities, such as treasury bills, certificates of deposit and commercial paper), cash or assets that can be turned into cash quickly. The fixed income securities in which the Fund invests (whether directly or indirectly) may be investment grade or from time to time may be non-investment grade or unrated.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to achieve the Fund's investment objective, to seek to reduce risk (relevant to the investment objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). They will also be used with the specific aim of hedging foreign currency exposures back to Sterling.

The maturity date of the fund is 30 June 2045. The Fund will adjust its investment strategy to be more conservative to risk as it progresses towards its maturity date, from a portfolio of units of collective investment schemes which gain exposure to approximately 85% equity securities (which are generally considered to be more risky compared to fixed income securities), towards a target portfolio composition on maturity of units of collective investment schemes which gain exposure to approximately 50%-70% fixed income securities (which are generally considered to be less risky compared to equity securities) and 30%-50% equity securities. These allocations exclude any investments made by the Fund for liquidity or EPM purposes and any exposure to commodities. It is intended that the Fund will remain invested in accordance with its target portfolio composition on maturity for at least 30 months after its maturity date, after which time unitholders will be informed of the intention to terminate the Fund.

It is expected that the Fund will have a final asset composition via units of collective investment schemes of approximately 50%-70% in fixed-income securities and 30%-50% in equity securities.

Investors should note that similar strategies in other investment vehicles, such as the BlackRock Authorised Contractual Scheme I, may offer different returns due to their tax treatment.

### **Investment Process and ESG**

As part of its investment process, the Investment Manager applies the following ESG commitments at a portfolio level to its selection of collective investment schemes:

- 1) Of the total value of the assets at any time that the Fund invests in collective investment schemes that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG

sovereign rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor).

- 2) Of the assets that the Fund invests in collective investment schemes other than Government Bond Funds and commodity funds (“CIS”), the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply ESG criteria (as detailed below) within their investment processes.

To satisfy this commitment, the Investment Manager will, in respect of any CIS in which it is considering an investment for the Fund, analyse its investment objective and policy and how its investments are selected, including (where relevant) the methodology of any benchmark index that it uses, to identify the ESG criteria (if any) that it applies. The ESG criteria may be applied by the CIS tracking, or otherwise using for portfolio construction purposes, a benchmark index that itself applies ESG criteria, or they may be applied separately. The ESG criteria will include (i) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or (ii) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

In respect of each commitment, if the Fund ceases to meet the commitment at any time (for example, because a collective investment scheme in which it is invested no longer complies with the relevant rating requirements or applies ESG criteria as described above (as applicable)), the Fund will take steps to seek to rebalance its portfolio to meet the commitment within a reasonable period of time.

Investors should note that the ESG commitments above will not be applied to collective investment schemes in which the Fund invests for EPM purposes.

The Investment Manager will monitor the application of the ESG commitments described above by measuring the ‘ESG score’ of the Fund’s portfolio (as defined in section 35(a) of the Prospectus) and the ‘carbon emission intensity score’ of the Fund’s portfolio (as defined in section 35(b) of the Prospectus), including by reference to a “Reference Comparator” (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments, as further described in section 35(c) of the Prospectus).

Further information regarding the ongoing monitoring of the Fund’s ESG commitments will be made available to unitholders on request in the form of a quarterly report.

### Fund benchmarks

The Fund is not managed to a benchmark and there is not a benchmark against which the performance of the Fund can appropriately be assessed. However, unitholders may compare the performance of the Fund against other funds within the Morningstar® EAA Fund Target Date 2041 – 2045 category. The Manager considers that these sectors best reflect the investment strategy of the Fund as a means to assess the performance of the Fund.

For the purposes of monitoring the application of the Fund’s ESG commitments (as described above), the carbon emission intensity score and ESG score of the Fund’s portfolio are measured against the Reference Comparator.

Upon termination, unitholders’ units will be redeemed, however unitholders may switch their holdings into other products. Other products in the BlackRock LifePath range exist which have investment objectives and policies that are similar to that of the Fund after the Fund’s maturity date.

Key information about Classes of units in the Fund			
Class	D	S	X
Type of units	Accumulation	Accumulation	Accumulation
Current availability	Accumulation – Yes	Accumulation – Yes	Accumulation – Yes
Minimum initial investment and minimum holding (see also section 16)	£100,000	£50,000,000	£10,000,000
Subsequent minimum	£100	£100	£100



<i>Minimum withdrawal (see also section 16)</i>	£250	£250	£250
<i>Preliminary charge (see also section 27(a))</i>	Nil	5.00%	Nil
<i>Annual management charge (see also section 27(a))</i>	0.17%	0.13%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.03%	0.03%
<b>Information about dealing, valuation and accounting dates</b>			
<i>Determination of unit price</i>	Single-Priced Fund		
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm		
<i>Dealing cut off point</i>	10:00 am		
<i>Valuation point</i>	12 noon		
<i>Initial Offer Period</i>	<p>8.30 am to 12 noon on 6 December 2023 or such later date as the Manager may determine in its sole discretion.</p> <p>During the initial offer period the initial offer price of Class D Accumulation units, Class S Accumulation units and Class X Accumulation units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.</p>		
<i>Annual accounting date</i>	The last day of February		
<i>Annual income allocation date</i>	30 April		
<i>Half-yearly accounting date</i>	31 August		
<i>Risk management measure used</i>	Commitment Approach		

## **BlackRock LifePath Target Date Fund 2050**

BlackRock LifePath Target Date Fund 2050 is a sub-fund of BlackRock Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 3 November 2023. The Fund's FCA product reference number is 1006675.

### **Investment objective**

The Fund is a target date retirement fund designed for investors expecting to retire or begin withdrawing assets around the year 2050, specifically between the years 2048 and 2052. The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time.

Although the Fund aims to deliver a return on your investment in line with the target date of the Fund, there is no guarantee that this will be achieved over this time period, or any time period and the Fund may experience periods of no return. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment policy**

In seeking to achieve its investment objective, the Fund will invest at least 70% of its total assets in units of collective investment schemes (i.e. other investment funds). These collective investment schemes (which are expected to be either index tracker funds, or funds which otherwise use an index for portfolio construction purposes, and will typically be Associated Funds) may gain exposure globally to: equity securities (i.e. shares), fixed income securities (i.e. both government and non-government bonds) on a limited basis, to commodities. Any such exposure to commodities will be achieved by the Fund investing in commodity funds (i.e. collective investment funds that either invest in commodities themselves or use one or more derivatives to gain exposure to commodities) and the aggregate investment in such commodity funds will not exceed 10% of the Fund's total assets.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes however this exposure will not exceed 30% of the Fund's total assets. These other asset classes include direct investment (i.e. not through collective investment schemes) in equity securities and fixed income securities, money market instruments (i.e. debt securities with short-term maturities, such as treasury bills, certificates of deposit and commercial paper), cash or assets that can be turned into cash quickly. The fixed income securities in which the Fund invests (whether directly or indirectly) may be investment grade or from time to time may be non-investment grade or unrated.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to achieve the Fund's investment objective, to seek to reduce risk (relevant to the investment objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). They will also be used with the specific aim of hedging foreign currency exposures back to Sterling.

The maturity date of the fund is 30 June 2050. The Fund will adjust its investment strategy to be more conservative to risk as it progresses towards its maturity date, from a portfolio of units of collective investment schemes which gain exposure to at least 90% equity securities (which are generally considered to be more risky compared to fixed income securities), towards a target portfolio composition on maturity of units of collective investment schemes which gain exposure to approximately 50%-70% fixed income securities (which are generally considered to be less risky compared to equity securities) and 30%-50% equity securities. These allocations exclude any investments made by the Fund for liquidity or EPM purposes and any exposure to commodities. It is intended that the Fund will remain invested in accordance with its target portfolio composition on maturity for at least 30 months after its maturity date, after which time unitholders will be informed of the intention to terminate the Fund.

It is expected that the Fund will have a final asset composition via units of collective investment schemes of approximately 50%-70% in fixed-income securities and 30%-50% in equity securities.

Investors should note that similar strategies in other investment vehicles, such as the BlackRock Authorised Contractual Scheme I, may offer different returns due to their tax treatment.

### **Investment Process and ESG**

As part of its investment process, the Investment Manager applies the following ESG commitments at a portfolio level to its selection of collective investment schemes:

- 1) Of the total value of the assets at any time that the Fund invests in collective investment schemes that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor).

- 2) Of the assets that the Fund invests in collective investment schemes other than Government Bond Funds and commodity funds (“CIS”), the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply ESG criteria (as detailed below) within their investment processes.

To satisfy this commitment, the Investment Manager will, in respect of any CIS in which it is considering an investment for the Fund, analyse its investment objective and policy and how its investments are selected, including (where relevant) the methodology of any benchmark index that it uses, to identify the ESG criteria (if any) that it applies. The ESG criteria may be applied by the CIS tracking, or otherwise using for portfolio construction purposes, a benchmark index that itself applies ESG criteria, or they may be applied separately. The ESG criteria will include (i) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or (ii) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

In respect of each commitment, if the Fund ceases to meet the commitment at any time (for example, because a collective investment scheme in which it is invested no longer complies with the relevant rating requirements or applies ESG criteria as described above (as applicable)), the Fund will take steps to seek to rebalance its portfolio to meet the commitment within a reasonable period of time.

Investors should note that the ESG commitments above will not be applied to collective investment schemes in which the Fund invests for EPM purposes.

The Investment Manager will monitor the application of the ESG commitments described above by measuring the ‘ESG score’ of the Fund’s portfolio (as defined in section 35(a) of the Prospectus) and the ‘carbon emission intensity score’ of the Fund’s portfolio (as defined in section 35(b) of the Prospectus), including by reference to a “Reference Comparator” (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments, as further described in section 35(c) of the Prospectus).

Further information regarding the ongoing monitoring of the Fund’s ESG commitments will be made available to unitholders on request in the form of a quarterly report.

### Fund benchmarks

The Fund is not managed to a benchmark and there is not a benchmark against which the performance of the Fund can appropriately be assessed. However, unitholders may compare the performance of the Fund against other funds within the Morningstar® EAA Fund Target Date 2046+ category. The Manager considers that these sectors best reflect the investment strategy of the Fund as a means to assess the performance of the Fund.

For the purposes of monitoring the application of the Fund’s ESG commitments(as described above), the carbon emission intensity score and ESG score of the Fund’s portfolio are measured against the Reference Comparator.

Upon termination, unitholders’ units will be redeemed, however unitholders may switch their holdings into other products. Other products in the BlackRock LifePath range exist which have investment objectives and policies that are similar to that of the Fund after the Fund’s maturity date.

Key information about Classes of units in the Fund			
Class	D	S	X
Type of units	Accumulation	Accumulation	Accumulation
Current availability	Accumulation – Yes	Accumulation – Yes	Accumulation – Yes
Minimum initial investment and minimum holding (see also section 16)	£100,000	£50,000,000	£10,000,000
Subsequent minimum	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250

<i>Preliminary charge (see also section 27(a))</i>	Nil	5.00%	Nil
<i>Annual management charge (see also section 27(a))</i>	0.17%	0.13%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.03%	0.03%
<b>Information about dealing, valuation and accounting dates</b>			
<i>Determination of unit price</i>	Single-Priced Fund		
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm		
<i>Dealing cut off point</i>	10:00 am		
<i>Valuation point</i>	12 noon		
<i>Initial Offer Period</i>	<p>8.30 am to 12 noon on 6 December 2023 or such later date as the Manager may determine in its sole discretion.</p> <p>During the initial offer period the initial offer price of Class D Accumulation units, Class S Accumulation units and Class X Accumulation units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.</p>		
<i>Annual accounting date</i>	The last day of February		
<i>Annual income allocation date</i>	30 April		
<i>Half-yearly accounting date</i>	31 August		
<i>Risk management measure used</i>	Commitment Approach		

## **BlackRock LifePath Target Date Fund 2055**

BlackRock LifePath Target Date Fund 2055 is a sub-fund of BlackRock Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 3 November 2023. The Fund's FCA product reference number is 1006676.

### **Investment objective**

The Fund is a target date retirement fund designed for investors expecting to retire or begin withdrawing assets around the year 2055, specifically between the years 2053 and 2057. The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time.

Although the Fund aims to deliver a return on your investment in line with the target date of the Fund, there is no guarantee that this will be achieved over this time period, or any time period and the Fund may experience periods of no return. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment policy**

In seeking to achieve its investment objective, the Fund will invest at least 70% of its total assets in units of collective investment schemes (i.e. other investment funds). These collective investment schemes (which are expected to be either index tracker funds, or funds which otherwise use an index for portfolio construction purposes, and will typically be Associated Funds) may gain exposure globally to: equity securities (i.e. shares), fixed income securities (i.e. both government and non-government bonds) on a limited basis, to commodities. Any such exposure to commodities will be achieved by the Fund investing in commodity funds (i.e. collective investment funds that either invest in commodities themselves or use one or more derivatives to gain exposure to commodities) and the aggregate investment in such commodity funds will not exceed 10% of the Fund's total assets.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes however this exposure will not exceed 30% of the Fund's total assets. These other asset classes include direct investment (i.e. not through collective investment schemes) in equity securities and fixed income securities, money market instruments (i.e. debt securities with short-term maturities, such as treasury bills, certificates of deposit and commercial paper), cash or assets that can be turned into cash quickly. The fixed income securities in which the Fund invests (whether directly or indirectly) may be investment grade or from time to time may be non-investment grade or unrated.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to achieve the Fund's investment objective, to seek to reduce risk (relevant to the investment objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). They will also be used with the specific aim of hedging foreign currency exposures back to Sterling.

The maturity date of the fund is 30 June 2055. The Fund will adjust its investment strategy to be more conservative to risk as it progresses towards its maturity date, from a portfolio of units of collective investment schemes which gain exposure to at least 90% equity securities (which are generally considered to be more risky compared to fixed income securities), towards a target portfolio composition on maturity of units of collective investment schemes which gain exposure to approximately 50%-70% fixed income securities (which are generally considered to be less risky compared to equity securities) and 30%-50% equity securities. These allocations exclude any investments made by the Fund for liquidity or EPM purposes and any exposure to commodities. It is intended that the Fund will remain invested in accordance with its target portfolio composition on maturity for at least 30 months after its maturity date, after which time unitholders will be informed of the intention to terminate the Fund.

It is expected that the Fund will have a final asset composition via units of collective investment schemes of approximately 50%-70% in fixed-income securities and 30%-50% in equity securities.

Investors should note that similar strategies in other investment vehicles, such as the BlackRock Authorised Contractual Scheme I, may offer different returns due to their tax treatment.

### **Investment Process and ESG**

As part of its investment process, the Investment Manager applies the following ESG commitments at a portfolio level to its selection of collective investment schemes:

- 1) Of the total value of the assets at any time that the Fund invests in collective investment schemes that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor).



- 2) Of the assets that the Fund invests in collective investment schemes other than Government Bond Funds and commodity funds (“CIS”), the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply ESG criteria (as detailed below) within their investment processes.

To satisfy this commitment, the Investment Manager will, in respect of any CIS in which it is considering an investment for the Fund, analyse its investment objective and policy and how its investments are selected, including (where relevant) the methodology of any benchmark index that it uses, to identify the ESG criteria (if any) that it applies. The ESG criteria may be applied by the CIS tracking, or otherwise using for portfolio construction purposes, a benchmark index that itself applies ESG criteria, or they may be applied separately. The ESG criteria will include (i) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or (ii) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

In respect of each commitment, if the Fund ceases to meet the commitment at any time (for example, because a collective investment scheme in which it is invested no longer complies with the relevant rating requirements or applies ESG criteria as described above (as applicable)), the Fund will take steps to seek to rebalance its portfolio to meet the commitment within a reasonable period of time.

Investors should note that the ESG commitments above will not be applied to collective investment schemes in which the Fund invests for EPM purposes.

The Investment Manager will monitor the application of the ESG commitments described above by measuring the ‘ESG score’ of the Fund’s portfolio (as defined in section 35(a) of the Prospectus) and the ‘carbon emission intensity score’ of the Fund’s portfolio (as defined in section 35(b) of the Prospectus), including by reference to a “Reference Comparator” (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments, as further described in section 35(c) of the Prospectus).

Further information regarding the ongoing monitoring of the Fund’s ESG commitments will be made available to unitholders on request in the form of a quarterly report.

### Fund benchmarks

The Fund is not managed to a benchmark and there is not a benchmark against which the performance of the Fund can appropriately be assessed. However, unitholders may compare the performance of the Fund against other funds within the Morningstar® EAA Fund Target Date 2046+ category. The Manager considers that these sectors best reflect the investment strategy of the Fund as a means to assess the performance of the Fund.

For the purposes of monitoring the application of the Fund’s ESG commitments(as described above), the carbon emission intensity score and ESG score of the Fund’s portfolio are measured against the Reference Comparator.

Upon termination, unitholders’ units will be redeemed, however unitholders may switch their holdings into other products. Other products in the BlackRock LifePath range exist which have investment objectives and policies that are similar to that of the Fund after the Fund’s maturity date.

<b>Key information about Classes of units in the Fund</b>			
<i>Class</i>	<b>D</b>	<b>S</b>	<b>X</b>
<i>Type of units</i>	Accumulation	Accumulation	Accumulation
<i>Current availability</i>	Accumulation – Yes	Accumulation – Yes	Accumulation – Yes
<i>Minimum initial investment and minimum holding (see also section 16)</i>	£100,000	£50,000,000	£10,000,000
<i>Subsequent minimum</i>	£100	£100	£100
<i>Minimum withdrawal (see also section 16)</i>	£250	£250	£250

<i>Preliminary charge (see also section 27(a))</i>	Nil	5.00%	Nil
<i>Annual management charge (see also section 27(a))</i>	0.17%	0.13%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.03%	0.03%
<b>Information about dealing, valuation and accounting dates</b>			
<i>Determination of unit price</i>	Single-Priced Fund		
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm		
<i>Dealing cut off point</i>	10:00 am		
<i>Valuation point</i>	12 noon		
<i>Initial Offer Period</i>	<p>8.30 am to 12 noon on 6 December 2023 or such later date as the Manager may determine in its sole discretion.</p> <p>During the initial offer period the initial offer price of Class D Accumulation units, Class S Accumulation units and Class X Accumulation units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.</p>		
<i>Annual accounting date</i>	The last day of February		
<i>Annual income allocation date</i>	30 April		
<i>Half-yearly accounting date</i>	31 August		
<i>Risk management measure used</i>	Commitment Approach		

## **BlackRock LifePath Target Date Fund 2060**

BlackRock LifePath Target Date Fund 2060 is a sub-fund of BlackRock Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 3 November 2023. The Fund's FCA product reference number is 1006677.

### **Investment objective**

The Fund is a target date retirement fund designed for investors expecting to retire or begin withdrawing assets around the year 2060, specifically between the years 2058 and 2062. The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time.

Although the Fund aims to deliver a return on your investment in line with the target date of the Fund, there is no guarantee that this will be achieved over this time period, or any time period and the Fund may experience periods of no return. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment policy**

In seeking to achieve its investment objective, the Fund will invest at least 70% of its total assets in units of collective investment schemes (i.e. other investment funds). These collective investment schemes (which are expected to be either index tracker funds, or funds which otherwise use an index for portfolio construction purposes, and will typically be Associated Funds) may gain exposure globally to: equity securities (i.e. shares), fixed income securities (i.e. both government and non-government bonds) on a limited basis, to commodities. Any such exposure to commodities will be achieved by the Fund investing in commodity funds (i.e. collective investment funds that either invest in commodities themselves or use one or more derivatives to gain exposure to commodities) and the aggregate investment in such commodity funds will not exceed 10% of the Fund's total assets.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes however this exposure will not exceed 30% of the Fund's total assets. These other asset classes include direct investment (i.e. not through collective investment schemes) in equity securities and fixed income securities, money market instruments (i.e. debt securities with short-term maturities, such as treasury bills, certificates of deposit and commercial paper), cash or assets that can be turned into cash quickly. The fixed income securities in which the Fund invests (whether directly or indirectly) may be investment grade or from time to time may be non-investment grade or unrated.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to achieve the Fund's investment objective, to seek to reduce risk (relevant to the investment objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). They will also be used with the specific aim of hedging foreign currency exposures back to Sterling.

The maturity date of the fund is 30 June 2060. The Fund will adjust its investment strategy to be more conservative to risk as it progresses towards its maturity date, from a portfolio of units of collective investment schemes which gain exposure to at least 90% equity securities (which are generally considered to be more risky compared to fixed income securities), towards a target portfolio composition on maturity of units of collective investment schemes which gain exposure to approximately 50%-70% fixed income securities (which are generally considered to be less risky compared to equity securities) and 30%-50% equity securities. These allocations exclude any investments made by the Fund for liquidity or EPM purposes and any exposure to commodities. It is intended that the Fund will remain invested in accordance with its target portfolio composition on maturity for at least 30 months after its maturity date, after which time unitholders will be informed of the intention to terminate the Fund.

It is expected that the Fund will have a final asset composition via units of collective investment schemes of approximately 50%-70% in fixed-income securities and 30%-50% in equity securities.

Investors should note that similar strategies in other investment vehicles, such as the BlackRock Authorised Contractual Scheme I, may offer different returns due to their tax treatment.

### **Investment Process and ESG**

As part of its investment process, the Investment Manager applies the following ESG commitments at a portfolio level to its selection of collective investment schemes:

- 1) Of the total value of the assets at any time that the Fund invests in collective investment schemes that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor).

- 2) Of the assets that the Fund invests in collective investment schemes other than Government Bond Funds and commodity funds (“CIS”), the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply ESG criteria (as detailed below) within their investment processes.

To satisfy this commitment, the Investment Manager will, in respect of any CIS in which it is considering an investment for the Fund, analyse its investment objective and policy and how its investments are selected, including (where relevant) the methodology of any benchmark index that it uses, to identify the ESG criteria (if any) that it applies. The ESG criteria may be applied by the CIS tracking, or otherwise using for portfolio construction purposes, a benchmark index that itself applies ESG criteria, or they may be applied separately. The ESG criteria will include (i) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or (ii) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

In respect of each commitment, if the Fund ceases to meet the commitment at any time (for example, because a collective investment scheme in which it is invested no longer complies with the relevant rating requirements or applies ESG criteria as described above (as applicable)), the Fund will take steps to seek to rebalance its portfolio to meet the commitment within a reasonable period of time.

Investors should note that the ESG commitments above will not be applied to collective investment schemes in which the Fund invests for EPM purposes.

The Investment Manager will monitor the application of the ESG commitments described above by measuring the ‘ESG score’ of the Fund’s portfolio (as defined in section 35(a) of the Prospectus) and the ‘carbon emission intensity score’ of the Fund’s portfolio (as defined in section 35(b) of the Prospectus), including by reference to a “Reference Comparator” (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments, as further described in section 35(c) of the Prospectus).

Further information regarding the ongoing monitoring of the Fund’s ESG commitments will be made available to unitholders on request in the form of a quarterly report.

### Fund benchmarks

The Fund is not managed to a benchmark and there is not a benchmark against which the performance of the Fund can appropriately be assessed. However, unitholders may compare the performance of the Fund against other funds within the Morningstar® EAA Fund Target Date 2046+ category. The Manager considers that these sectors best reflect the investment strategy of the Fund as a means to assess the performance of the Fund.

For the purposes of monitoring the application of the Fund’s ESG commitments (as described above), the carbon emission intensity score and ESG score of the Fund’s portfolio are measured against the Reference Comparator.

Upon termination, unitholders’ units will be redeemed, however unitholders may switch their holdings into other products. Other products in the BlackRock LifePath range exist which have investment objectives and policies that are similar to that of the Fund after the Fund’s maturity date.

Key information about Classes of units in the Fund			
Class	D	S	X
Type of units	Accumulation	Accumulation	Accumulation
Current availability	Accumulation – Yes	Accumulation – Yes	Accumulation – Yes
Minimum initial investment and minimum holding (see also section 16)	£100,000	£50,000,000	£10,000,000
Subsequent minimum	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250

<i>Preliminary charge (see also section 27(a))</i>	Nil	5.00%	Nil
<i>Annual management charge (see also section 27(a))</i>	0.17%	0.13%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.03%	0.03%
<b>Information about dealing, valuation and accounting dates</b>			
<i>Determination of unit price</i>	Single-Priced Fund		
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm		
<i>Dealing cut off point</i>	10:00 am		
<i>Valuation point</i>	12 noon		
<i>Initial Offer Period</i>	<p>8.30 am to 12 noon on 6 December 2023 or such later date as the Manager may determine in its sole discretion.</p> <p>During the initial offer period the initial offer price of Class D Accumulation units, Class S Accumulation units and Class X Accumulation units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.</p>		
<i>Annual accounting date</i>	The last day of February		
<i>Annual income allocation date</i>	30 April		
<i>Half-yearly accounting date</i>	31 August		
<i>Risk management measure used</i>	Commitment Approach		

## **BlackRock LifePath Target Date Fund 2065**

BlackRock LifePath Target Date Fund 2065 is a sub-fund of BlackRock Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 3 November 2023. The Fund's FCA product reference number is 1006678.

### **Investment objective**

The Fund is a target date retirement fund designed for investors expecting to retire or begin withdrawing assets around the year 2065, specifically between the years 2063 and 2067. The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time.

Although the Fund aims to deliver a return on your investment in line with the target date of the Fund, there is no guarantee that this will be achieved over this time period, or any time period and the Fund may experience periods of no return. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### **Investment policy**

In seeking to achieve its investment objective, the Fund will invest at least 70% of its total assets in units of collective investment schemes (i.e. other investment funds). These collective investment schemes (which are expected to be either index tracker funds, or funds which otherwise use an index for portfolio construction purposes, and will typically be Associated Funds) may gain exposure globally to: equity securities (i.e. shares), fixed income securities (i.e. both government and non-government bonds) on a limited basis, to commodities. Any such exposure to commodities will be achieved by the Fund investing in commodity funds (i.e. collective investment funds that either invest in commodities themselves or use one or more derivatives to gain exposure to commodities) and the aggregate investment in such commodity funds will not exceed 10% of the Fund's total assets.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes however this exposure will not exceed 30% of the Fund's total assets. These other asset classes include direct investment (i.e. not through collective investment schemes) in equity securities and fixed income securities, money market instruments (i.e. debt securities with short-term maturities, such as treasury bills, certificates of deposit and commercial paper), cash or assets that can be turned into cash quickly. The fixed income securities in which the Fund invests (whether directly or indirectly) may be investment grade or from time to time may be non-investment grade or unrated.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to achieve the Fund's investment objective, to seek to reduce risk (relevant to the investment objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). They will also be used with the specific aim of hedging foreign currency exposures back to Sterling.

The maturity date of the fund is 30 June 2065. The Fund will adjust its investment strategy to be more conservative to risk as it progresses towards its maturity date, from a portfolio of units of collective investment schemes which gain exposure to at least 90% equity securities (which are generally considered to be more risky compared to fixed income securities), towards a target portfolio composition on maturity of units of collective investment schemes which gain exposure to approximately 50%-70% fixed income securities (which are generally considered to be less risky compared to equity securities) and 30%-50% equity securities. These allocations exclude any investments made by the Fund for liquidity or EPM purposes and any exposure to commodities. It is intended that the Fund will remain invested in accordance with its target portfolio composition on maturity for at least 30 months after its maturity date, after which time unitholders will be informed of the intention to terminate the Fund.

It is expected that the Fund will have a final asset composition via units of collective investment schemes of approximately 50%-70% in fixed-income securities and 30%-50% in equity securities.

Investors should note that similar strategies in other investment vehicles, such as the BlackRock Authorised Contractual Scheme I, may offer different returns due to their tax treatment.

### **Investment Process and ESG**

As part of its investment process, the Investment Manager applies the following ESG commitments at a portfolio level to its selection of collective investment schemes:

- 1) Of the total value of the assets at any time that the Fund invests in collective investment schemes that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor).



- 2) Of the assets that the Fund invests in collective investment schemes other than Government Bond Funds and commodity funds (“CIS”), the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply ESG criteria (as detailed below) within their investment processes.

To satisfy this commitment, the Investment Manager will, in respect of any CIS in which it is considering an investment for the Fund, analyse its investment objective and policy and how its investments are selected, including (where relevant) the methodology of any benchmark index that it uses, to identify the ESG criteria (if any) that it applies. The ESG criteria may be applied by the CIS tracking, or otherwise using for portfolio construction purposes, a benchmark index that itself applies ESG criteria, or they may be applied separately. The ESG criteria will include (i) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective (such as, but not limited to, activities relating to controversial weapons, civilian firearms and ammunition, nuclear weapons, violations of the United Nations Global Compact and the extraction and generation of power from fossil fuels like thermal coal and tar sands) and/or (ii) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

In respect of each commitment, if the Fund ceases to meet the commitment at any time (for example, because a collective investment scheme in which it is invested no longer complies with the relevant rating requirements or applies ESG criteria as described above (as applicable)), the Fund will take steps to seek to rebalance its portfolio to meet the commitment within a reasonable period of time.

Investors should note that the ESG commitments above will not be applied to collective investment schemes in which the Fund invests for EPM purposes.

The Investment Manager will monitor the application of the ESG commitments described above by measuring the ‘ESG score’ of the Fund’s portfolio (as defined in section 35(a) of the Prospectus) and the ‘carbon emission intensity score’ of the Fund’s portfolio (as defined in section 35(b) of the Prospectus), including by reference to a “Reference Comparator” (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments, as further described in section 35(c) of the Prospectus).

Further information regarding the ongoing monitoring of the Fund’s ESG commitments will be made available to unitholders on request in the form of a quarterly report.

### Fund benchmarks

The Fund is not managed to a benchmark and there is not a benchmark against which the performance of the Fund can appropriately be assessed. However, unitholders may compare the performance of the Fund against other funds within the Morningstar® EAA Fund Target Date 2046+ category. The Manager considers that these sectors best reflect the investment strategy of the Fund as a means to assess the performance of the Fund.

For the purposes of monitoring the application of the Fund’s ESG commitments(as described above), the carbon emission intensity score and ESG score of the Fund’s portfolio are measured against the Reference Comparator.

Upon termination, unitholders’ units will be redeemed, however unitholders may switch their holdings into other products. Other products in the BlackRock LifePath range exist which have investment objectives and policies that are similar to that of the Fund after the Fund’s maturity date.

Key information about Classes of units in the Fund			
Class	D	S	X
Type of units	Accumulation	Accumulation	Accumulation
Current availability	Accumulation – Yes	Accumulation – Yes	Accumulation – Yes
Minimum initial investment and minimum holding (see also section 16)	£100,000	£50,000,000	£10,000,000
Subsequent minimum	£100	£100	£100
Minimum withdrawal (see also section 16)	£250	£250	£250

<i>Preliminary charge (see also section 27(a))</i>	Nil	5.00%	Nil
<i>Annual management charge (see also section 27(a))</i>	0.17%	0.13%	Nil
<i>Annual service charge (see also section 27(a))</i>	0.04%	0.03%	0.03%
<b>Information about dealing, valuation and accounting dates</b>			
<i>Determination of unit price</i>	Single-Priced Fund		
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm		
<i>Dealing cut off point</i>	10:00 am		
<i>Valuation point</i>	12 noon		
<i>Initial Offer Period</i>	<p>8.30 am to 12 noon on 6 December 2023 or such later date as the Manager may determine in its sole discretion.</p> <p>During the initial offer period the initial offer price of Class D Accumulation units, Class S Accumulation units and Class X Accumulation units will be fixed at £1. Units will only be issued in the base currency. Any subscriptions received after the close of the initial offer period will be processed on the next dealing day and the relevant units shall be issued at the relevant price as determined on the dealing day on which they are issued. Unitholders will only become exposed to market movements once investment has occurred. No subscription monies will be invested during the initial offer period. No interest will accrue on the subscription monies during the initial offer period. The Manager will commence investment decisions following the end of the initial offer period.</p>		
<i>Annual accounting date</i>	The last day of February		
<i>Annual income allocation date</i>	30 April		
<i>Half-yearly accounting date</i>	31 August		
<i>Risk management measure used</i>	Commitment Approach		

## BlackRock Global Smaller Companies Fund

BlackRock Global Smaller Companies Fund is a sub-fund of BlackRock Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 24 April 2024. The Fund's FCA product reference number is 1014253.

### Investment Objective

The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund) over the long term (5 or more consecutive years beginning at the point of investment) by investing in shares of smaller companies incorporated or listed globally.

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

### Investment Policy

In seeking to achieve its investment objective, the Fund will invest at least 70% of its total assets in the equities (i.e. shares) and equity related investments (i.e. other investments whose value is related to equities) of smaller companies incorporated or listed on developed markets globally which are considered in the opinion of the Investment Manager to have above-average growth prospects. Smaller companies are those whose market capitalisations (market capitalisation is the share price of the company multiplied by the number of shares issued) are lower than the largest company in the MSCI World Small Cap Index at the time of the Fund's investment. The Fund may continue to hold companies that grow beyond the status of a smaller company should the Investment Manager deem such holdings to be in the best interest of investors.

The Fund may also invest in other asset classes to seek to achieve its investment objective and/or for liquidity purposes. These other asset classes include other equities (i.e. shares), equity related investments, fixed income securities (e.g. bonds), fixed income related investments (i.e. other investments whose value is related to fixed income securities), money market instruments (i.e. debt securities with short-term maturities), cash, or assets that can be turned into cash quickly and units in collective investment schemes (i.e. other investment funds which may be Associated Funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM"). Where the Fund invests in assets denominated in a currency other than Sterling, the Investment Manager will use derivatives to seek to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling.

The base currency of the Fund is Sterling.

### Fund Benchmark(s)

MSCI World Small Cap Index is used by the Investment Manager when constructing the portfolio of the Fund. This benchmark has been chosen because the Investment Manager has determined that it is representative of the investment universe of the Fund and should be used by unitholders to compare the performance of the Fund.

Key information about Classes of units in the Fund					
Class	A	D	S	Z	X
Type of units	Income and Accumulation	Income and Accumulation	Income and Accumulation	Limited Issue Income and Accumulation*	Income and Accumulation
Current availability	Yes	Yes	Yes	At the manager's discretion	At the manager's discretion
Minimum initial investment and minimum holding (see also section 16)	£500	£100,000	£50,000,000	£50,000,000	£10,000,000
Subsequent minimum	100	100	100	100	100

<i>Minimum withdrawal (see also section 16)</i>	250	250	250	250	250
<i>Preliminary charge (see also section 27(a))</i>	Up to 5.00%	Nil	Up to 5.00%	Nil	Nil
<i>Annual management charge (see also section 27(a))</i>	1.50%	0.75%	0.67%	0.40%	Nil
<i>Discount to the annual management charge</i>	<b>Assets Under Management</b>		<b>Discount to the Annual Management Charge<sup>^</sup></b>		
	<b>£0-1 billion</b>	No discount			
	<b>£1-3 billion</b>	5% incremental discount			
	<b>£3-5 billion</b>	7% incremental discount			
	<b>£5+ billion</b>	8% incremental discount			
<i>Annual service charge (see also section 27(a))</i>	0.14%	0.14%	0.04%	0.04%	0.04%
<b>Information about dealing, valuation and accounting dates</b>					
<i>Dealing day</i>	Normally daily between 8.30 am and 5.30 pm				
<i>Dealing cut off point</i>	12 noon				
<i>Valuation point</i>	12 noon				
<i>Initial Offer Period</i>	This Fund is not yet available for investment. Details of the initial offer period will be included once available.				
<i>Annual accounting date</i>	The last day of February				
<i>Annual income allocation date</i>  <i>(For accumulation and income classes)</i>	30 April				
<i>Half-yearly accounting date</i>	31 August				
<i>Half-yearly income allocation date</i>  <i>(For Income Classes only)</i>	31 October				
<i>Risk management measure used</i>	Commitment Approach				

\* The Limit in respect of Class Z units (which may be raised or lowered by the Manager as outlined in section 12 (b)) is £200,000,000.

<sup>^</sup> These discounts apply to the annual management charge for Class A, Class D, Class S, and Class Z units. Further details are given in the paragraph titled "Discounts to the Annual Management Charge" in this Prospectus.

**APPENDIX 2: BlackRock Fund Managers Limited - Other Regulated Collective Investment Schemes**

Name	Regulatory status
BlackRock Aquila Emerging Markets Fund*	UK UCITS Scheme
BlackRock Authorised Contractual Scheme	UK UCITS Scheme
BlackRock Authorised Contractual Scheme (2)	Non-UCITS Retail Scheme
BlackRock Absolute Return Bond Fund	UK UCITS Scheme
BlackRock Aquila Emerging Markets Fund	UK UCITS Scheme
BlackRock Asia Fund	UK UCITS Scheme
BlackRock Asia Special Situations Fund	UK UCITS Scheme
BlackRock Balanced Growth Portfolio Fund	UK UCITS Scheme
BlackRock Cash Fund	UK UCITS Scheme
BlackRock Collective Investment Funds	UK UCITS Scheme
BlackRock Continental European Fund	UK UCITS Scheme
BlackRock Continental European Income Fund	UK UCITS Scheme
BlackRock Corporate Bond Fund	UK UCITS Scheme
BlackRock Developed Markets Sustainable Equity Fund (UK)	UK UCITS Scheme
BlackRock Dynamic Allocation Fund	UK UCITS Scheme
BlackRock Dynamic Diversified Growth Fund	UK UCITS Scheme
BlackRock Emerging Markets Fund	UK UCITS Scheme
BlackRock European Absolute Alpha Fund	UK UCITS Scheme
BlackRock European Dynamic Fund	UK UCITS Scheme
BlackRock Global Bond Fund	UK UCITS Scheme
BlackRock Global Income Fund	UK UCITS Scheme
BlackRock Global Multi Asset Income Fund	UK UCITS Scheme
BlackRock Global Unconstrained Equity Fund UK)	UK UCITS Scheme
BlackRock Gold and General Fund	UK UCITS Scheme
BlackRock Growth and Recovery Fund	UK UCITS Scheme
BlackRock Institutional Bonds Funds	UK UCITS Scheme
BlackRock Institutional Equity Funds	UK UCITS Scheme
BlackRock International Equity Fund*	UK UCITS Scheme
BlackRock LBG DC "A" Fund*	UK UCITS Scheme
BlackRock Market Advantage Fund	UK UCITS Scheme
BlackRock Natural Resources Fund	UK UCITS Scheme
BlackRock Non-UCITS Retail Funds	Non-UCITS Retail Scheme
BlackRock Non-UCITS Retail Funds (2)	Non-UCITS Retail Scheme
BlackRock Charities Funds	Non-UCITS Retail Scheme
BlackRock Systematic Continental European Fund*	UK UCITS Scheme
BlackRock UK Absolute Alpha Fund	UK UCITS Scheme
BlackRock UK Dynamic Fund*	UK UCITS Scheme
BlackRock UK Equity Fund	UK UCITS Scheme
BlackRock UK Focus Fund*	UK UCITS Scheme
BlackRock UK Fund	UK UCITS Scheme

BlackRock UK Income Fund	UK UCITS Scheme
BlackRock UK Smaller Companies Fund	UK UCITS Scheme
BlackRock UK Special Situations Fund	UK UCITS Scheme
BlackRock UK Specialist Fund*	UK UCITS Scheme
BlackRock US Dynamic Fund	UK UCITS Scheme
BlackRock US Opportunities Fund	UK UCITS Scheme
BlackRock Alternative Strategies I LTAF	LTAF

\* These Funds are in the process of being terminated.



## APPENDIX 3: Investment Restrictions applicable to the Funds

### 1. Investment and Borrowing Powers

The property of each Fund will be invested with the aim of achieving the investment objective of each Fund set out in Appendix 1 but subject to the limits set out in Chapter 5 of the COLL Sourcebook. The Manager will ensure that, taking into account of the investment objectives and policies of the Funds, it aims to provide a prudent spread of risk.

### 2. Eligible Assets

The following restrictions under the COLL Sourcebook and (where relevant) determined by the Manager currently apply to each of the Funds.

- 2.1. The investments of each Fund shall consist of one or more of the following:
  - (i) transferable securities and approved money-market instruments admitted to or dealt in a regulated market (as defined by the FCA);
  - (ii) transferable securities and approved money-market instruments dealt in on other markets in the UK or member states of the EEA, that are operating regularly, are recognised and are open to the public;
  - (iii) transferable securities and approved money-market instruments admitted to official listings on or dealt in on other eligible markets;
  - (iv) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue.
- 2.2. A transferable security is eligible for investment if it meets the following criteria:
  - (i) the potential loss that a Fund may incur by holding the security is limited to the amount paid for it;
  - (ii) its liquidity does not compromise the Manager's ability to redeem units;
  - (iii) reliable and regular valuation is available to the market and the Manager;
  - (iv) appropriate information about the transferable security is available to the market and the Manager;
  - (v) the transferable security is a negotiable instrument; and
  - (vi) its risks are adequately captured by the risk management process of the Manager.
- 2.3. Approved money-market instruments are those normally dealt in on the money market, are liquid and have a value which can be accurately determined at any time, and with the exception of those dealt in on an eligible market, appropriate information is available to the market and the Manager.
- 2.4. Approved money-market instruments other than those listed on or normally dealt on an eligible market are eligible if the issue or issuer of such approved money-market instruments is itself regulated for the purpose of protecting investors and savings, and provided they are issued or guaranteed by a central, regional or local authority of the UK or an EEA State (or, if the EEA State is a federal state, on the of members making up the federation), the Bank of England, a central bank of an EEA state, the European

Central Bank, the EU or the European Investment Bank, a non-EEA state or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which the UK or one or more EEA states belong; or issued by a body, any securities of which are dealt in on an eligible market; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by UK or EU law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

- 2.5. A Fund may invest no more than 10% of its scheme property in transferable securities and approved money-market instruments other than those referred to in sections 2.1 to 2.4 of this Appendix 3.

### 3. Eligible Markets

A market is eligible for the purposes of the rules if it is a regulated market (as defined in the COLL Sourcebook), or a market in the UK or an EEA state which is regulated, operates regularly and is open to the public.

A market not falling within the above definition is eligible if the Manager, after consultation and notification with the Trustee, decides that market is appropriate for the investment of, or dealing in, the property, the market is included in a list in the prospectus, and the Trustee has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market, and all reasonable steps have been taken by the Manager in deciding whether that market is eligible.

A market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors. Unless information is available to the Manager that would lead to a different determination, a transferable security which is admitted or dealt on an eligible market shall be presumed not to compromise the ability of the Manager to be able to redeem units and to be considered a negotiable instrument. The list of eligible securities and derivatives markets for the Funds is set out in Schedules 1 and 2 to this prospectus.

### 4. Collective Investment Schemes

- 4.1. A Fund may invest in units in collective investment schemes ("CIS") which:
  - (i) are a UK UCITS or scheme which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  - (ii) a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey, or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or
  - (iii) are authorised in the UK as a non-UCITS retail scheme and meeting the requirements of COLL 5.2.13AR;
  - (iv) are authorised in an EEA state and meeting the requirements of COLL 5.2.13AR; or
  - (v) are authorised by the competent authority of an OECD member country (other than an EEA state) which has:

- signed the IOSCO Multilateral Memorandum of Understanding; and
- approved the management company of the CIS, its rules and depositary/custody arrangements;
- provided the requirements of COLL 5.2.13AR are met;

and provided that:

- (i) no more than 30% of the value of a Fund may be invested in other CIS which are not UK UCITS schemes but satisfy the conditions in 4.1 (ii) to (v) above, although it is the Manager's current policy to apply a more restrictive limit as described in paragraph 4.3 below;
  - (ii) the level of protection for unitholders in the other CIS is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money-market instruments are equivalent to the relevant requirements in COLL 5;
  - (iii) the business of the other CIS is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.
- 4.2. In addition, in the case of all underlying CIS no more than 10% of the assets of the CIS, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UK UCITS or other CISs. For this purpose each sub-fund of an umbrella scheme is to be treated as if it were a separate scheme.
  - 4.3. Each Fund may acquire the units of UK UCITS and/or other CIS referred to above, provided that the aggregate investment in UK UCITS or other CIS does not exceed 10% of the scheme property of each Fund, unless otherwise provided for in the relevant Fund's investment policy.
  - 4.4. Each Fund may invest in the units of other UK UCITS and/or other CIS that are managed by the Manager or by an associate (as defined by the FCA) in which case no subscription or redemption fees may be charged to the Funds on their investment in the units of such other UK UCITS and/or CIS in accordance with the rules in the COLL Sourcebook. In addition, the Manager shall normally invest in the units of other UK UCITS and/or CIS that are managed by the Manager or by an associate on the basis that either no annual management charge will be charged to the Funds or a full retrocession of the annual management charge shall be returned to the Funds, otherwise the maximum level of annual management charge that may be charged to Funds for investing in underlying funds is 3.5% of the Fund's net asset value.
  - 4.5. Companies of the BlackRock Group which provide investment advisory services to the Funds, other UK UCITS and/or other CIS, may also cause the Funds through those investment services, other UK UCITS and/or other CIS to seed other products (including the Funds) sponsored or managed by the BlackRock Group.

## 5. Deposits, Cash and Near Cash

5.1. Each Fund may invest in deposits with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months. Deposits may be held for strategic purposes as cover for derivative positions or tactically, as described in paragraph 5.2 below.

5.2. The investment objective and policy of each Fund may mean that at times it is appropriate not to be fully invested but to hold cash or near cash (i.e. assets that can be turned into cash quickly) for reasons other than for the purpose of meeting a Fund's investment objective (where applicable). Cash and near cash must not be retained in the property except to the extent that, where this may reasonably be regarded as necessary in order to enable:

- (i) redemption of units; or
- (ii) efficient management of the Fund in accordance with its investment objectives; or
- (iii) other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund; or
- (iv) in the case of BlackRock Sustainable Sterling Short Duration Credit Fund, BlackRock Dynamic Return Strategy Fund and BlackRock ESG Strategic Growth Fund in pursuit of that Fund's investment objectives.

## 6. Warrants

Where a Fund invests in warrants, the Manager must ensure that upon exercising the right conferred by the warrant the exposure created does not exceed the general limits on spread of investments set out below. No more than 5% of any Fund will be invested in warrants.

## 7. Nil and Partly Paid Securities

In respect of nil and partly paid securities a transferable security or approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Funds, at the time when payment is required, without contravening the rules in COLL 5.

## 8. General - Derivatives and Forward Transactions

8.1. A Fund may use derivatives in pursuit of its investment objective and policy and/or to hedge market and currency risk for the purposes of efficient portfolio management ("EPM"), as set out in Appendix 1.

**The use of derivatives for the purposes of EPM is not intended to increase the risk profile of the Funds. The Manager uses a risk management process, to monitor and measure as frequently as appropriate the risk of a Fund's portfolio and contribution of the underlying investments to the overall risk profile of the Fund.**

**The use of derivatives may expose a Fund to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small, relative to size of the contract, so that transactions are geared. A relatively small market movement may have a potentially larger impact on derivatives than in standard bonds or equities.**

**In relation to BlackRock Dynamic Return Strategy Fund, BlackRock Sustainable Sterling Strategic**

**Bond Fund, BlackRock ESG Strategic Growth Fund, MyMap 3 Fund, MyMap 3 Select ESG Fund, MyMap 4 Fund, MyMap 4 Select Income Fund, MyMap 5 Fund, MyMap 5 Select ESG Fund, MyMap 6 Fund, MyMap 7 Select ESG Fund, BlackRock Systematic Multi Allocation Credit Fund, BlackRock Sustainable Sterling Short Duration Credit Fund and each LifePath Fund, the Manager may also employ the use of derivatives in pursuit of the investment objective and policies of that Fund. Unitholders should note that the use of derivatives in this way may alter the risk profile of a Fund and lead to higher volatility in the unit price of that Fund.**

- 8.2. Where derivatives are used for the purpose of EPM, they will only be used in accordance with the following criteria:
- (i) they are economically appropriate in that they are realised in a cost effective way;
  - (ii) they are entered into for one or more of the following specific aims:
    - reduction of risk;
    - reduction of costs; or
    - 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 prevailing risk diversification requirements laid down in the FCA Rules;
  - (iii) their risks are adequately captured by the Manager's risk management process.
- 8.3. The Manager uses a risk management process, as reviewed by the Trustee, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of that Fund. The details of the risk management process include the following information:
- (i) the types of derivatives and forwards to be used within a Fund together with their underlying risks and any relevant quantitative limits; and
  - (ii) the methods for estimating risks in derivative and forward transactions.

The Manager must notify the FCA in advance of any material alteration to the details above.

## **9. Permitted Transactions in Derivatives and Forwards**

- 9.1. A transaction in a derivative must be in an approved derivative (as defined by the FCA); or be one which complies with the requirements for entering into OTC transactions in derivatives.

**A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.**

**A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Trust Deed and the most recently published version of this prospectus.**

**A transaction in a derivative must have the underlying consisting of any or all of the following to which a Fund is dedicated, i.e.**

**transferable securities and approved money-market instruments, approved money-market instruments permitted under paragraph 2.4 of this Appendix 3, permitted deposits, permitted derivatives, permitted collective investment scheme units, permitted financial indices, interest rates, foreign exchange rates, and currencies, and may not result in the delivery, including in the form of cash, of assets other than those referred to in sections 2 to 8 of this Appendix 3.**

**A Fund may not undertake transactions in derivatives on commodities.**

**Any forward transaction must be with an approved counterparty.**

**All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee; and it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.**

**A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives.**

No agreement by or on behalf of a Fund to dispose of property or rights may be made unless:

- (i) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment of rights; and
- (ii) the property and rights at (i) are owned by that Fund at the time of the agreement.

Where a Fund holds an index-based derivative, the financial index must satisfy the following criteria:

- (i) the index is sufficiently diversified
- (ii) the index represents an adequate benchmark for the market to which it refers; and
- (iii) the index is published in an appropriate manner.

A financial index is sufficiently diversified if:

- (i) it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
- (ii) where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
- (iii) where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

A financial index represents an adequate benchmark for the market to which it refers if:

- (i) it measures the performance of a representative group of underlyings in a relevant and appropriate way;
- (ii) it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
- (iii) the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

A financial index is published in an appropriate manner if:

- (i) its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
- (ii) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to this section 9, be regarded as a combination of those underlyings.

9.3 Where derivative instruments are used, the overall risk profile of a Fund may be increased.

9.4 Accordingly, where derivative instruments are used, the Manager will employ a risk-management process which enables the Manager to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the relevant Fund, as further explained in section 33 of this prospectus. The risk management methodology that applies to each Fund is set out in Appendix 1.

- (i) Where the "Commitment Approach" to risk management is being used the Manager must ensure that its global exposure relating to derivatives and forward transactions held in the Fund does not exceed the net value of the scheme property.
- (ii) The Manager must calculate its global exposure on at least a daily basis.
- (iii) For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions

9.5 The Manager must calculate the global exposure of a Fund it manages either as:

- (i) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in section 9.7 below), which may not exceed 100% of the net value of the scheme property; or
- (ii) the market risk of the scheme property.

9.6 The Manager must calculate the global exposure of a Fund by using:

- (i) the Commitment Approach; or
- (ii) the Value at Risk approach.

9.7 The Manager must ensure that the method selected in 9.6 is appropriate, taking into account:

- (i) the investment strategy pursued by the UK UCITS scheme;
- (ii) the types and complexities of the derivatives and forward transactions used; and
- (iii) the proportion of the scheme property comprising derivatives and forward transactions.

9.7.1 Where a Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with section 15 below (Stock lending) in order to generate additional leverage or exposure to market risk, the Manager must take those transactions into consideration when calculating global exposure.

9.7.2 For the purposes of 9.6(ii), value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

9.7.3 With regard to a Fund's underlying assets, the Manager will ensure that when a transferable security or approved money-market instrument embeds a derivative, the derivative must be taken into account when complying with the requirements under the risk management process and section 9.4 above and contains a component that:

- (i) by virtue of that component, some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which embeds the derivative can be modified according to specified interest rates, financial instrument price, foreign exchange rate, index of prices and rates, credit rating or credit index or other variable and therefore vary in any way similar to a stand-alone derivative;
- (ii) its economic characteristics and risks are not closely related to the economic characteristics of the derivative;
- (iii) it has significant impact on the risk profile and pricing of the transferable security.

A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

Where a Fund holds an index-based derivative, provided the index falls within the rules of eligibility of an index set out in the paragraph 10(iv) below, the underlying constituents do not have to be taken into account when calculating the spread requirements in section 10 below.

## 10. Spread Limits

A Fund may not invest in any one issuer in excess of the limits set out below. These limits do not apply to investment in government and public securities which are considered separately in section 11 below:



- (i) Not more than 5% in value of the property of a Fund is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of its scheme property. For these purposes certificates representing certain securities are treated as equivalent to the underlying security. Covered bonds need not be taken into account for the purposes of applying the limit of 40%. The limit of 5% above is raised to 25% of a Fund's scheme property in respect of covered bonds provided that where a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the scheme property.
- (ii) Not more than 20% of the value of a Fund's scheme property may be invested in deposits made with the same entity.
- (iii) The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the property. This limit is raised to 10% where the counterparty is an Approved Bank. Exposure to a counterparty in an OTC derivative transaction may be reduced by using collateral in accordance with the techniques set out in section 18 below. When calculating the exposure of a Fund to an OTC counterparty, in accordance with the limits set out in this paragraph, the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- (iv) Notwithstanding the individual limits laid down in paragraphs 10 (i) to (iii) above, a Fund may not combine
  - investments in transferable securities or money-market instruments issued by a single body, and/or
  - deposits (where permitted) made with a single body, and/or
  - exposures arising from OTC derivative transactions undertaken with a single body,
 in excess of 20% of its scheme property.

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

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single entity for the purpose of calculating the investment limits mentioned in paragraphs 10 (i) to (iii) above.

A Fund may not invest more than 20% of its scheme property in transferable securities or approved money-market instruments issued by the same group subject to restrictions in paragraphs 10.1 (i) and 10.1 (iv) above.

Without prejudice to the limits laid down in section 13 below, the limits laid down in paragraph 10.1 (i) above is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of a Fund is to replicate the composition of a certain equity or debt securities index on the following basis:

- (i) the composition of the index is sufficiently diversified;
- (ii) the index is an adequate benchmark for the market to which it refers;
- (iii) it is published in an appropriate manner which relies on sound pricing procedure;

An index represents an adequate benchmark for the market to which it refers if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers. An index is published in an appropriate manner if it is accessible to the public and the index provider is independent from the index replicating Fund (this does not prevent the index provider and the Fund being part of the same group provided effective arrangements are in place for the management of conflicts of interests).

The limit of 20% can be raised to 35% for a particular Fund where that proves to be justified by exceptional market conditions, in particular in eligible markets where certain transferable securities or approved money-market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

#### 11. Government and Public Securities

Where no more than 35% in value of the property of a Fund is invested in transferable securities and/or money-market instruments that are issued by a government or public entity described in COLL 5.2.12R(1) ("such securities") issued by any one body, there is no limit on the amount which may be invested by a Fund in such securities or in any one issue. BlackRock Dynamic Return Strategy Fund, BlackRock ESG Strategic Growth Fund and each LifePath Fund are permitted to invest more than 35% of their scheme property in government and public securities issued or guaranteed by any body specified below. The Manager will consult the Trustee where more than 35% of the scheme property is invested in such securities in order to ensure that the issuer of such securities is one which is appropriate in accordance with the investment objectives of this Fund.

Where more than 35% of scheme property does comprise government and public securities issued by any one issuer, then up to 30% of the property of the relevant Fund may consist of such securities of any one issue and the Fund's total holding of government and public securities must include such securities issued by that or another issuer of at least six different issues.

The issuer or guarantors for the purpose of the above limits are as follows:

- (i) the Government of the UK (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly and the National Assembly of Wales);
- (ii) the Government of any EEA State including the Governments of Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden;
- (iii) the Governments of Australia, Canada, Japan, New Zealand, and the United States of America;

- (iv) The World Bank, The Inter-American Development Bank, The European Investment Bank and The European Bank for Reconstruction and Development.

## 12. Significant influence

The Manager must not acquire or cause to be acquired for the authorised unit trusts for which it acts as manager, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if immediately before the acquisition, the aggregate of any such securities held for that Fund together with any other securities held for authorised unit trusts managed by the Manager gives the Manager power significantly to influence the conduct of business of that body corporate, or the acquisition gives the Manager that power.

The Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held for all the authorised unit trusts of which it is the manager, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## 13. Concentration

A Fund may not:

- (i) acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them, and represent more than 10% of those securities issued by that body corporate;
- (ii) acquire more than 10% of the debt securities issued by any single body;
- (iii) acquire more than 25% of the units in a collective investment scheme. In the case of an umbrella collective investment scheme this limit is taken at the level of the umbrella;
- (iv) acquire more than 10% of approved money-market instruments of any single body.

A Fund need not comply with the limits above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

## 14. Borrowing

14.1. The Trustee (on the instructions of the Manager) may, in accordance with this paragraph, borrow money for the use of the Funds on terms that the borrowing is to be repayable out of the property. This power to borrow is subject to the obligation of the Funds to comply with any restriction in the Trust Deed. The Trustee may borrow only from an Eligible Institution or an Approved Bank. The Manager must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the Manager must have regard in particular to the duration of any period of borrowing, and the number of occasions on which resort is had to borrowing in any period. In addition, the Manager must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Trustee, the Trustee's consent may be given only on such conditions as appear to the Trustee appropriate to ensure that the

borrowing does not cease to be on a temporary basis only.

The Manager must ensure a Fund's borrowing does not, on any Business Day, exceed 10% of the value of the property of the Fund. "Borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the property in the expectation that the sum will be repaid.

None of the money in the property of the Fund may be lent and, for the purposes of this prohibition, money is lent by the Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee. Acquiring a debenture is not lending; nor is the placing of money on deposit or in a current account.

The property of the Funds other than money must not be lent by way of deposit or otherwise except for the purposes of stock lending as described above.

Transactions permitted for the purposes of stock lending are not lending for these purposes.

The property of the Funds must not be mortgaged. Nothing in these restrictions prevent the Trustee at the request of the Manager, from lending, depositing, pledging or charging property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with any other of the rules in COLL 5.

14.2. A Fund may not grant credit facilities nor act as guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, approved money-market instruments or other financial investments referred to in paragraph 2.4 and sections 4, 8 and 9 above, in fully or partly paid form and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan.

## 15. Stock lending

15.1. Stock lending transactions or repo contracts may be entered into if the arrangement or contract is for the account of and for the benefit of the Fund and in the interests of unitholders. An arrangement is not in the interests of unitholders unless it reasonably appears to the Manager to be appropriate to do so with a view to generating additional income for the Funds with an acceptable degree of risk.

The Trustee, acting in accordance with the instructions of the Manager may enter into a stock lending arrangement or repo contract of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Trustee for the account of the Funds, are in a form which is acceptable to the Trustee and are in accordance with good market practice, the counterparty meets the criteria set out in COLL 5.4.4 and high quality and liquid collateral is obtained to secure the obligation of the counterparty. Collateral



must be acceptable to the Trustee, adequate and sufficiently immediate.

The Trustee must ensure that the value of the collateral at all times is at least equal to the market value of the securities transferred by the Trustee, plus a premium. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Trustee takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

Where a Fund enters into arrangements through which collateral is reinvested, this should be taken into account for the purposes of measuring a Fund's global exposure under section 9.4 of this Appendix 3.

15.2. Collateral is adequate for the purposes of stock lending only if it is:

- (i) transferred to the Trustee or its agent;
- (ii) received under a title transfer arrangement; and
- (iii) at all times at least equal in value to the value of the securities transferred by the Trustee, plus a premium.

Where the collateral is invested in units or shares of a qualifying money market fund managed or operated by the Manager or an associate of the Manager, the conditions of paragraph 4.4 of this Appendix 3 must be complied with. Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Funds.

Each day, the collateral held in respect of each repo contract or stock lending transaction is marked to market and revalued. Where due to market movements the value of collateral is less than the value of the securities subject to the repo contract or stock lending transaction, the Trustee is entitled to call for additional collateral from the counterparty such that the value of the collateral and margin requirements is maintained.

In the event there is a decline in the value of the collateral which exceeds the value of the margin held by the Trustee, a counterparty credit risk will arise pending delivery of the additional collateral. In the normal course of events, additional collateral is delivered the following Business Day.

There is no limit on the value of the property which may be the subject of repo contracts or stock lending transactions. Collateral transferred to the Trustee is part of a Fund's property for the purpose of the COLL Sourcebook except in the following respects:

- (i) it does not fall to be included in any valuation for the purposes of COLL 6.3 or this Appendix 3, because it is offset by an obligation to transfer at a future date (as set out above); and
- (ii) it does not comprise the Fund's property for the purpose of any investment and borrowing powers set out in this Appendix 3 except for the purpose of this section 15.

16. **General power to accept or underwrite placings**

Any power in the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Fund.

This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

The exposure of the Fund to agreements and understandings as set out above, on any business day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any of the investment limits set out elsewhere in this section.

17. **Guarantees and indemnities**

The Trustee for the account of the Fund must not provide any guarantee or indemnity in respect of the obligation of any person.

None of the property of the Fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

These requirements do not apply to any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the requirements set out in this section.

18. **Over-the-Counter ("OTC") transactions in derivatives**

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

Any transaction in an OTC derivative must be:

- (i) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register, permits it to enter into the transaction as principal off-exchange; or a CCP that is authorised in that capacity for the purpose of EMIR; or a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or to the extent not already covered above, a CCP supervised in a jurisdiction that: (a) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK; and (b) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019.
- (ii) on approved terms; the terms of the transaction in derivatives are approved only if, the Manager carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely on market quotations by the counterparty, and the Manager can enter into

one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;

- (iii) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy: on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable, or, if the value referred to above is not available, on the basis of a pricing model which the Manager and Trustee have agreed uses an adequate recognised methodology; and
- (iv) subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if throughout the life of the derivative verification of valuation is carried out by an independent third party distinct from the counterparty on a regular basis and in such a way that the Manager is able to check or by an independent division of the Manager separate from the division managing the particular Fund's assets.

Collateral required under OTC derivative transactions must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

OTC derivative positions with the same counterparty may be netted provided that the Manager is able legally to enforce netting agreements in place with the counterparty on behalf of the Fund and these netting agreements do not apply to any other exposures the Fund may have with that counterparty.

#### 19. Commodities and real estate

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

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

#### 20. Cash collateral

Where cash collateral is obtained in respect of OTC derivative transactions and efficient portfolio management techniques, including repo contracts and stock lending arrangements, it may only be:

- (i) placed on deposit with an Approved Bank;
- (ii) invested in high quality government bonds;
- (iii) used for the purpose of repo contracts provided the transactions are with credit institutions subject to prudential supervision 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 as defined in Regulation (EU) No 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (as such regulation forms part of the domestic law of the UK)

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

sufficiently diversified in terms of country, markets and issuers.

#### 21. Repo contracts and stock lending arrangements

The following applies to reverse repurchase agreements and repurchase agreements ("repo contracts") and stock lending arrangements, in particular:

- 21.1 Repo contracts and stock lending may only be effected in accordance with normal market practice.
- 21.2 A Fund must have the right to terminate any stock lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.
- 21.3 Where a Fund enters into a repurchase agreement, 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.
- 21.4 Where a Fund enters into a reverse repurchase agreement, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value.
- 21.5 Fixed-term repo contracts 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 Fund.

#### 22. 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 Considerations" and, in particular but without limitation, the risk factors relating to derivative risks and counterparty risk. These risks may expose investors to an increased risk of loss.

#### 23. Management of collateral for OTC derivative transactions and efficient portfolio management techniques

23.1 Collateral obtained in respect of OTC derivative transactions and efficient portfolio management techniques ("Collateral"), such as a repo contract or stock lending arrangement, 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;
- (ii) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;
- (iii) issuer credit quality: Collateral should be of high quality;
- (iv) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

- (v) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers; and
- (vi) immediately available: Collateral must be capable of being fully enforced at any time without reference to or approval from the counterparty.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral such that it should be sufficiently diversified in terms of country, markets and issuers.

23.2 Subject to the above criteria, Collateral must be in the form of one of the following:

- (i) cash; or
- (ii) a certificate of deposit; or
- (iii) a letter of credit; or
- (iv) a readily realisable security; or
- (v) commercial paper with no embedded derivative content; or
- (vi) a short-term money market fund (as defined in Regulation (EU) No 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (as such regulation forms part of the domestic law of the UK)) or a qualifying money market fund.

23.3 Until the expiry of the repo contract or stock lending arrangement, Collateral obtained under such contracts or arrangements:

- (i) must be marked to market daily; and
- (ii) should at all times be equal in value to the market value of the securities transferred plus a premium.

23.4 Collateral must be held by the Trustee, 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.

23.5 Non-cash Collateral cannot be sold, re-invested or pledged.

#### 24. Additional spread limits

With regard to OTC derivative transactions and efficient portfolio management techniques, including repo contracts and stock lending arrangements, a Fund's exposure to any one counterparty must not exceed 5% in value of the property. This limit is raised to 10% where the counterparty is an Approved Bank.

#### 25. Haircut policy

The Manager 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 agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Manager 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.

## APPENDIX 4: Valuation and Pricing

### 1. Determination of Net Asset Value – Dual-Priced Funds

The value of the scheme property of a Fund shall be determined in accordance with the following provisions.

1. All the scheme capital and income property (including receivables) is to be included, subject to the following provisions.
2. The valuation shall be prepared on an *issue basis* and on a *cancellation basis* in accordance with section 13 of this prospectus.
3. The valuation of the scheme property of the Fund which is not cash or a contingent liability transaction shall be valued using the most recent prices which it is practicable to obtain:
  - (i) units or shares in a collective investment scheme
    - (a) if separate buying and selling prices are quoted, at the most recent maximum sale price reduced by any expected discount plus any dealing costs (*issue basis*)<sup>6</sup> or the most recent minimum redemption price less any dealing costs (*cancellation basis*).<sup>7</sup>
    - (b) if a single price for buying and selling units or shares is quoted, at that price (plus any dealing costs when valuing on an *issue basis*<sup>6</sup> or less any dealing costs when valuing on a *cancellation basis*<sup>7</sup>; or
    - (c) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable (plus any dealing costs when valuing on an *issue basis*<sup>6</sup> or less any dealing costs when valuing on a *cancellation basis*<sup>7</sup>).
  - (ii) any other investment:
    - (a) the best available market dealing offer price (*issue basis*) or the most current dealing bid price (*cancellation basis*) on the most appropriate market in a standard size plus dealing costs<sup>8</sup>; or

- (b) the last traded price of the market or
- (c) at the price which would be paid by a buyer (*issue basis*) or received by a seller (*cancellation basis*) for an immediate transfer or assignment (or, in Scotland, assignation) to him at arm's length;

together with the Manager's reasonable estimate in respect dealing costs<sup>8</sup>, which may be accounted for separately within the valuation

- (iii) property valued other than as described in 3(i) or 3(ii) above if no recent price(s) exist or in the opinion of the Manager the price obtained is unreliable, then by some other reliable means, which may be based on the Manager's reasonable estimate or calculated by some other means deemed by the Manager and Trustee to be appropriate (together with the Manager's reasonable estimate in respect of dealing costs<sup>8</sup> which may be accounted for separately within the valuation.

In accordance with section 13 of this prospectus the Manager may at its discretion implement fair value pricing policies in respect of the Fund;

4. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
5. Property which is a derivative constituting a contingent liability transaction shall be treated as follows:
  - (i) if a written option (and the premium for writing the option has become part of the scheme property) include an amount equivalent to the value net of premium on closing out the contract (whether as a positive or negative value). On expiry, where the contract remains unexercised and is "out-of-the-money", no value will be attributable to the contract, other by way of the premium received or receivable.
  - (ii) if a purchased option (and the premium for purchasing the option has been paid from the scheme property) an amount equivalent to the value net of premium on closing out the contract (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded.) On expiry, where the contract remains unexercised and is "out-of the money", no value will be attributable to the contract, other than by way of the premium paid or payable.

<sup>6</sup> "Dealing costs" include any SDRT provision which may be added in the event of a purchase by the scheme of the units or shares in question, and where a single price is quoted, any dilution levy. If the Manager is also the manager or an associate of the manager of the relevant underlying collective investment scheme, in the case of valuing on an issue basis, dealing costs do not include payment of a preliminary charge on purchase of units in the underlying collective investment scheme.

<sup>7</sup> "Dealing costs" include any SDRT provision which may be added in the event of a purchase by the scheme of the units or shares in question, and where a single price is quoted, any dilution levy. If the Manager is also

the manager or an associate of the manager of the relevant underlying collective investment scheme, in the case of valuing on a cancellation basis, dealing costs do not include payment of a redemption charge on sales of units in the underlying collective investment scheme.

<sup>8</sup> "Dealing costs" include any fiscal charges, commission, market impacts (where the size of the required security trading may itself impact the price achieved on that security) or other charges payable in the event of the scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the scheme are the least that could be reasonably expected to be paid in order to carry out the transaction.



- (iii) if another exchange-traded derivative contract:
    - (a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
    - (b) if separate buying and selling prices are quoted, at the average of the two prices.
  - (iv) if an off-exchange future or contract for differences (“OTC derivatives”) or forward foreign exchange contract, include at the net value of closing out the contract (estimated on the basis of the amount of profit or loss receivable or payable by the Fund on closing out the contract in accordance with the valuation methods in COLL 5.2.23R.)
6. In determining the value of the scheme property, all instructions given to the Trustee to issue or cancel units or any outstanding consequential action required in respect of an issue or cancellation of units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
  7. Subject to paragraphs 8 and 9 of this Appendix 4, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
  8. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 7 of this Appendix 4.
  9. All agreements are to be included under paragraph 7 of this Appendix 4, which are, or could reasonably be expected to have been, known to the person valuing the property assuming that all other persons in the Manager’s employment take all reasonable steps to inform it immediately of the making of any agreement.
  10. Deductions will be made for any liabilities payable out of the scheme property and any tax thereon, as follows:
    - (i) liabilities accrued on unrealised capital gains which is payable out of the scheme property
    - (ii) liabilities accrued on realised capital gains in respect of previously completed and current accounting periods which is payable out of the scheme property
    - (iii) liabilities accrued in respect of income received or receivable
    - (iv) liabilities accrued in respect of stamp duty reserve tax or any other fiscal charge not covered under this deduction.
    - (v) the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
  11. The following items will be added:
    - (i) any amount in respect of accrued claims for tax of whatever nature which may be recoverable; and
    - (ii) any other credits or amounts due to be paid into the scheme property;
    - (iii) any stamp duty reserve tax provision anticipated to be received; and
    - (iv) sums representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
  12. Currencies or values in currencies other than base currency shall be converted at the relevant valuation point at the prevailing rate of exchange on the market on which the Manager would normally deal if it wished to make such a conversion.
- B. Determination of Net Asset Value – Single-Priced Funds**
- The value of the scheme property of a Fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.
1. All the scheme capital and income property (including receivables) is to be included, subject to the following provisions.
  2. The valuation of the scheme property of the Fund which is not cash or a contingent liability transaction shall be valued using the most recent prices which it is practicable to obtain:
    - (i) units or shares in a collective investment scheme
      - (a) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto;
      - (b) if a single price for buying and selling units or shares is quoted, at that price; or
      - (c) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer’s price which, in the opinion of the Manager, is fair and reasonable.
    - (ii) any other investment:
      - 6 if a single price for buying and selling the security is quoted, at that price; or
      - 7 if a separate buying and selling price is quoted, at the average of the two prices; or
      - 8 if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer’s price which, in the opinion of the Manager, is fair and reasonable.
    - (iii) property valued other than as described in 2(i) or 2(ii) above if no recent price exists or in the opinion of the Manager the price obtained is unreliable, then by some other reliable means, which may be based on the Manager’s reasonable estimate or calculated by some other means deemed by the Manager and Trustee to be appropriate.

In accordance with section 13 of this Prospectus the Manager may at its discretion implement fair value pricing policies in respect of the Fund;

3. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
4. Property which is a derivative constituting a contingent liability transaction shall be treated as follows:
  - (i) if a written option (and the premium for writing the option has become part of the scheme property) include an amount equivalent to the value net of premium on closing out the contract (whether as a positive or negative value). On expiry, where the contract remains unexercised and is "out-of-the-money", no value will be attributable to the contract, other by way of the premium received or receivable.
  - (ii) if a purchased option (and the premium for purchasing the option has been paid from the scheme property) an amount equivalent to the value net of premium on closing out the contract (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded.) On expiry, where the contract remains unexercised and is "out-of the money", no value will be attributable to the contract, other than by way of the premium paid or payable.
  - (iii) if another exchange-traded derivative contract:
    - (a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
    - (b) if separate buying and selling prices are quoted, at the average of the two prices.
  - (iv) if an off-exchange future or contract for differences ("OTC derivatives") or forward foreign exchange contract, include at the net value of closing out the contract (estimated on the basis of the amount of profit or loss receivable or payable by the Fund on closing out the contract in accordance with the valuation methods in COLL 5.2.23R.)
5. In determining the value of the scheme property, all instructions given to the Trustee to issue or cancel units or any outstanding consequential action required in respect of an issue or cancellation of units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
6. Subject to paragraphs 7 and 8 of this Appendix 4, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
7. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised

written or purchased options shall not be included under paragraph 6 of this Appendix 4.

8. All agreements are to be included under paragraph 6 of this Appendix 4, which are, or could reasonably be expected to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
9. Deductions will be made for any liabilities payable out of the scheme property and any tax thereon, as follows:
  - (i) liabilities accrued on unrealised capital gains which is payable out of the scheme property
  - (ii) liabilities accrued on realised capital gains in respect of previously completed and current accounting periods which is payable out of the scheme property
  - (iii) liabilities accrued in respect of income received or receivable
  - (iv) liabilities accrued in respect of stamp duty reserve tax or any other fiscal charge not covered under this deduction.
  - (v) the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
10. The following items will be added:
  - (i) any amount in respect of accrued claims for tax of whatever nature which may be recoverable; and
  - (ii) any other credits or amounts due to be paid into the scheme property;
  - (iii) any stamp duty reserve tax provision anticipated to be received; and
  - (iv) sums representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
11. Currencies or values in currencies other than base currency shall be converted at the relevant valuation point at the prevailing rate of exchange on the market on which the Manager would normally deal if it wished to make such a conversion.

#### **C. Determination of Unit Price – Dual-Priced Funds**

In this Section C, "a Fund" refers to Dual-Priced Funds only. For Single-Priced Funds, please see Section D of this Appendix 4.

Prices at which units may be issued or cancelled will be calculated by valuing a Fund's underlying property attributable to the class of units in question (in accordance with section A above) and then dividing the value of the Fund's underlying property by the number of units in issue. It is this computation which determines the maximum issue price and the minimum cancellation price for the units in that Fund.

The Manager will determine the unit price in accordance with the following calculations:

1. In order to calculate the maximum issue price, the following shall apply:
  - (i) take the proportion, attributable to the units in the class in question, of the value of the issue



basis of the scheme property by reference to the most recent valuation of the scheme property on an issue basis;

- (ii) compute the number of units of the relevant class in issue immediately prior to the valuation in (i);
- (iii) divide the total at (i) by the number of units in (ii); and
- (iv) express the price in a form that is accurate to at least four significant figures.

This process determines the full cost of creating a unit and results in the maximum price at which unitholders can buy a unit in the Fund (excluding any preliminary charge due to the Manager) in accordance with section 14 of this prospectus.

2. In order to calculate the minimum cancellation price, the following shall apply:

- (i) take the proportion, attributable to the units in the class in question, of the value of the cancellation basis of the scheme property by reference to the most recent valuation of the scheme property on a cancellation basis;
- (ii) compute the number of units of the relevant class in issue immediately prior to the valuation in (i);
- (iii) divide the total at (i) by the number of units in (ii); and
- (iv) express the price in a form that is accurate to at least four significant figures.

This process determines the full cost of cancelling a unit and determines the level at which the minimum 'bid price' can be fixed. This is the minimum price at which unitholders can sell back

their units in the Fund. The actual 'bid price' at which unitholders can sell their units will either be the same or higher than the cancellation price

#### **D. Determination of Unit Price - Single-Priced Funds**

In this Section D, "a Fund" refers to Single-Priced Funds only. For Dual-Priced Funds, please see Section C of this Appendix 4.

The price at which units are sold and redeemed is based on the net asset value of the scheme property of the relevant Fund attributable to the relevant unit class of that Fund divided by the number of units of that class in issue (adjusted to reflect any applicable dilution adjustment)

#### **Indicative Swing Factor:**

The table below sets out the estimated Swing Factor. Please note, the percentages below are intended as a guide and do not constitute a projection. The indicative factors were calculated based on historical information and market conditions at that point in time which may not be the same as those prevailing when you invest or disinvest.

Swing thresholds and factors are regularly reviewed and revised due to the market conditions. They are highly sensitive to short-term market volatility, therefore we highlight ongoing developments in the financial markets may cause changes to the swing pricing at any point. As a result, the swing factor being applied may differ from the below.

The Manager reserves the right to impose a higher Dilution Adjustment on any day where, due to the size of the net inflow or net outflow, higher trading costs will be incurred.

Fund	Indicative Swing Factor Offer (%)	Indicative Swing Factor Bid (%)
BlackRock ESG Strategic Growth Fund	0.10	0.06
MyMap 3 Fund	0.02	0.02
MyMap 3 Select ESG Fund	0.02	0.02
MyMap 4 Fund	0.02	0.02
MyMap 4 Select Income Fund	0.03	0.03
MyMap 5 Fund	0.04	0.04
MyMap 5 Select ESG Fund	0.02	0.02
MyMap 6 Fund	0.04	0.04
MyMap 7 Select ESG Fund	0.06	0.04
BlackRock Systematic Multi Allocation Credit Fund	0.18	0.18
BlackRock LifePath Retirement Fund	0.04	0.04
BlackRock LifePath Target Date Fund 2030	0.05	0.05
BlackRock LifePath Target Date Fund 2035	0.05	0.05
BlackRock LifePath Target Date Fund 2040	0.05	0.05
BlackRock LifePath Target Date Fund 2045	0.05	0.05
BlackRock LifePath Target Date Fund 2050	0.05	0.05
BlackRock LifePath Target Date Fund 2055	0.05	0.05
BlackRock LifePath Target Date Fund 2060	0.05	0.05
BlackRock LifePath Target Date Fund 2065	0.05	0.05
BlackRock Global Smaller Companies Fund	0.18	0.06

**APPENDIX 5- List of Safekeeping Delegates**

<b>Country/Market</b>	<b>Sub - Custodian</b>	<b>Location</b>
<b>Argentina</b>	Citibank N.A., Argentina	Buenos Aires
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	Parramatta, NSW
<b>Austria</b>	UniCredit Bank Austria AG	Vienna
<b>Bahrain</b>	HSBC Bank Middle East Limited	Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation Limited	Dhaka
<b>Belgium</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Belgium</b>	Citibank Europe Plc, UK branch	London
<b>Bermuda</b>	HSBC Bank Bermuda Limited	Hamilton
<b>Botswana</b>	Stanbic Bank Botswana Limited	Gaborone
<b>Brazil</b>	Citibank N.A., Brazil	Sao Paulo
<b>Brazil</b>	Itau Unibanco S.A.	Sao Paulo
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	Sofia
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
<b>Cayman Islands</b>	The Bank of New York Mellon	New York
<b>Channel Islands</b>	The Bank of New York Mellon	New York
<b>Chile</b>	Banco de Chile	Santiago
<b>Chile</b>	Itau Corpbanca S.A.	Santiago
<b>China</b>	HSBC Bank (China) Company Limited	Shanghai
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
<b>Costa Rica</b>	Banco Nacional de Costa Rica	San José
<b>Croatia</b>	Privredna banka Zagreb d.d.	Zagreb

<b>Cyprus</b>	BNP Paribas Securities Services	Athens
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Prague
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	Cairo
<b>Estonia</b>	SEB Pank AS	Tallinn
<b>Eswatini</b>	Standard Bank Eswatini Limited	Mbabane
<b>Euromarket</b>	Clearstream Banking S.A	Luxembourg
<b>Euromarket</b>	Euroclear Bank	Brussels
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
<b>France</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Germany</b>	The Bank of New York Mellon SA/NV	Frankfurt am Main
<b>Ghana</b>	Stanbic Bank Ghana Limited	Accra
<b>Greece</b>	BNP Paribas Securities Services	Athens
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Budapest
<b>Iceland</b>	Landsbankinn hf.	Reykjavik
<b>India</b>	Deutsche Bank AG	Mumbai
<b>India</b>	The Hongkong and Shanghai Banking Corporation Limited	Mumbai
<b>Indonesia</b>	Deutsche Bank AG	Jakarta
<b>Ireland</b>	The Bank of New York Mellon	New York
<b>Israel</b>	Bank Hapoalim B.M.	Tel Aviv
<b>Italy</b>	The Bank of New York Mellon SA/NV	Brussels
<b>Japan</b>	Mizuho Bank, Ltd.	Tokyo

<b>Japan</b>	MUFG Bank, Ltd.	Tokyo
<b>Jordan</b>	Standard Chartered Bank, Jordan Branch	Jordan
<b>Kazakhstan</b>	Citibank Kazakhstan Joint-Stock Company	Almaty
<b>Kenya</b>	Stanbic Bank Kenya Limited	Nairobi
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Safat
<b>Latvia</b>	AS SEB banka	Kekavas novads
<b>Lithuania</b>	AB SEB bankas	Vilnius
<b>Luxembourg</b>	Euroclear Bank	Brussels
<b>Malawi</b>	Standard Bank PLC	Lilongwe
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur
<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt am Main, Germany
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	Ebene
<b>Mexico</b>	Banco S3 México S.A.	Ciudad de México
<b>Mexico</b>	Citibanamex	Colonia Santa Fe
<b>Morocco</b>	Citibank Maghreb S.A.	Casablanca
<b>Namibia</b>	Standard Bank Namibia Limited	Kleine Kuppe
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Brussels, Belgium
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	Auckland
<b>Nigeria</b>	Stanic IBTC Bank Plc.	Lagos
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
<b>Oman</b>	HSBC Bank Oman S.A.O.G.	Sultanate of Oman
<b>Pakistan</b>	Deutsche Bank AG	Karachi
<b>Peru</b>	Citibank del Peru S.A.	Lima



<b>Philippines</b>	Deutsche Bank AG	Makati City
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	Warszawa
<b>Portugal</b>	Citibank Europe Plc	Dublin
<b>Qatar</b>	HSBC Bank Middle East Limited, Doha	Doha
<b>Romania</b>	Citibank Europe plc Dublin, Romania Branch	Bucharest
<b>Russia</b>	PJSC ROSBANK	Moscow
<b>Saudi Arabia</b>	HSBC Saudi Arabia	Riyadh
<b>Serbia</b>	UniCredit Bank Serbia JSC	Belgrade
<b>Singapore</b>	DBS Bank Ltd	Singapore
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	Bratislava
<b>Slovenia</b>	UniCredit Banka Slovenia d.d.	Ljubljana
<b>South Africa</b>	Standard Chartered Bank	Johannesburg
<b>South Africa</b>	The Standard Bank of South Africa Limited	Johannesburg
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	Seoul
<b>South Korea</b>	Deutsche Bank AG	Seoul
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
<b>Spain</b>	Santander Securities Services, S.A.U.	Madrid
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	Colombo
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	Zurich
<b>Switzerland</b>	UBS Switzerland AG	Zurich
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	Taipei City
<b>Tanzania</b>	Stanbic Bank Tanzania Limited	Dar es Salaam

<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
<b>Tunisia</b>	Union Internationale de Banques	Tunis
<b>Turkey</b>	Deutsche Bank A.S.	Istanbul
<b>U.A.E.</b>	HSBC Bank Middle East Limited, Dubai	Dubai
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	London
<b>U.K.</b>	The Bank of New York Mellon	New York
<b>U.S.A.</b>	The Bank of New York Mellon	New York
<b>U.S.A. Precious Metals</b>	HSBC Bank, USA, N.A	New York
<b>Uganda</b>	Stanbic Bank Holdings Limited	Kampala
<b>Ukraine</b>	JSC "Citibank"	Kiev
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Montevideo
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City
<b>WAEMU</b>	Société Générale Côte d'Ivoire	Abidjan 01, Ivory Coast
<b>Zambia</b>	Stanbic Bank Zambia Limited	Lusaka
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	Harare

## APPENDIX 6- List of Funds and Oversight Risk Categorisation

Fund Name	Risk Categorisation*
BlackRock Dynamic Return Strategy Fund	C
BlackRock Sustainable Sterling Strategic Bond Fund	C
BlackRock ESG Strategic Growth Fund	C
MyMap 3 Fund	C
MyMap 3 Select ESG Fund	C
MyMap 4 Fund	C
MyMap 4 Select Income Fund	C
MyMap 5 Fund	C
MyMap 5 Select ESG Fund	C
MyMap 6 Fund	C
MyMap 7 Select ESG Fund	C
BlackRock Systematic Multi Allocation Credit Fund	C
BlackRock Sustainable Sterling Short Duration Credit Fund	C
BlackRock LifePath Retirement Fund	C
BlackRock LifePath Target Date Fund 2030	C
BlackRock LifePath Target Date Fund 2035	C
BlackRock LifePath Target Date Fund 2040	C
BlackRock LifePath Target Date Fund 2045	C
BlackRock LifePath Target Date Fund 2050	C
BlackRock LifePath Target Date Fund 2055	C
BlackRock LifePath Target Date Fund 2060	C
BlackRock LifePath Target Date Fund 2065	C
BlackRock Global Smaller Companies Fund	C

\*Further details about this risk categorisation are provided in section 27(b) (“Trustee’s charges and custody charges”) of this Prospectus.

**APPENDIX 7- Securities Financing Transaction Regulation Disclosures**

<b>Fund</b>	<b>TRS and CFDs (in aggregate*)</b>	<b>Securities Lending</b>	<b>Repo Transactions</b>
	<b>Maximum/Expected proportion of the NAV (%)</b>	<b>Maximum/Expected proportion of the NAV (%)</b>	<b>Maximum/Expected proportion of the NAV (%)</b>
BlackRock Dynamic Strategy Fund	No longer available	No longer available	No longer available
BlackRock Sustainable Sterling Strategic Bond Fund	100/10	100/0-20	100/5
BlackRock ESG Strategic Growth Fund	100/40	100/1-25	10/0
MyMap 3 Fund	0/0	100/1-25	0/0
MyMap 3 Select ESG Fund	0/0	100/1-25	0/0
MyMap 4 Fund	0/0	100/1-25	0/0
MyMap 4 Select Income Fund	0/0	100/1-25	0/0
MyMap 5 Fund	0/0	100/1-25	0/0
MyMap 5 Select ESG Fund	0/0	100/1-25	0/0
MyMap 6 Fund	0/0	100/1-25	0/0
MyMap 7 Select ESG Fund	0/0	100/1-25	0/0
BlackRock Systematic Multi Allocation Credit Fund	20/0	100/0-30	10/0
BlackRock Sustainable Sterling Short Duration Credit Fund	100/10	100/0-20	100/5
BlackRock LifePath Retirement Fund	0/0	100/0-40	0/0
BlackRock LifePath Target Date Fund 2030	0/0	100/0-40	0/0
BlackRock LifePath Target Date Fund 2035	0/0	100/0-40	0/0
BlackRock LifePath Target Date Fund 2040	0/0	100/0-40	0/0
BlackRock LifePath Target Date Fund 2045	0/0	100/0-40	0/0
BlackRock LifePath Target Date Fund 2050	0/0	100/0-40	0/0
BlackRock LifePath Target Date Fund 2055	0/0	100/0-40	0/0
BlackRock LifePath Target Date Fund 2060	0/0	100/0-40	0/0
BlackRock LifePath Target Date Fund 2065	0/0	100/0-40	0/0
BlackRock Global Smaller Companies Fund	50/0	100/0-94	0/0

## SCHEDULE 1: Eligible Securities Markets

The following markets shall be eligible securities markets for the BlackRock Investment Funds subject to the investment objective and policy of each Fund.

### A: Europe

Austria	Vienna Stock Exchange (Wiener Boerse)
Belgium	Euronext Brussels
Bulgaria	Bulgaria Stock Exchange - Sofia (BSE - Sofia)
Croatia	Zagreb Stock Exchange
Czech Republic	Prague Stock Exchange
Denmark	Copenhagen Stock Exchange (Kobenhavns Fondsbors)
Denmark	OMX Nordic Exchange Copenhagen
Estonia	Tallinn Stock Exchange
Estonia	Estonian CSD
Finland	Helsinki Stock Exchange
Finland	OMX Nordic Exchange OY
France	Euronext, Paris
Germany	Berlin-Bremen Stock Exchange (Borse Berlin-Bremen)
Germany	Hamburg and Hannover Exchanges (Borsen Hamburg und Hannover)
Germany	Munich Exchange (Borsen Munchen)
Germany	Stuttgart Exchange (Boerse Stuttgart)
Germany	Deutsche Borse, Frankfurt
Greece	Athens Stock Exchange
Hungary	Budapest Stock Exchange
Iceland	OMX Nordic Exchange OY
Ireland	Euronext, Dublin
Ireland	Irish Stock Exchange
Israel	Tel Aviv Stock Exchange
Italy	Italian Stock Exchange (Borsa Italiana)
Luxembourg	Luxembourg Stock Exchange (Bourse de Luxembourg)
Netherlands	Euronext, Amsterdam
Norway	Oslo Bors
Poland	Warsaw Stock Exchange
Portugal	Euronext, Lisbon
Russia	Moscow Exchange MICEX-RTS
Spain	Barcelona Stock Exchange (BME Spanish Exchange)
Spain	Bilbao Stock Exchange (BME Spanish Exchange)
Spain	Madrid Stock Exchange (BME Spanish Exchange)
Spain	Valencia Stock Exchange (BME Spanish Exchange)
Sweden	OMX Nordic Exchange Stockholm AB
Switzerland	SIX Swiss Exchange
Turkey	Istanbul Stock Exchange (Borsa Istanbul)
UK	London Stock Exchange

UK	AIM
UK	MarketAxess Europe Limited
UK	SWX Europe Limited

**B: Americas**

Brazil	BM & F BOVESPA S.A.
Canada	Toronto Stock Exchange
Chile	Santiago Stock Exchange & Bolsa Electronica de Chile (SSE)
Colombia	Bolsa de Valores de Colombia (BVC)
Mexico	The Mexican Stock Exchange (Bolsa Mexicana de Valores)
Peru	Lima Stock Exchange (Bolsa de Valores de Lima)
USA	The American Stock Exchange
USA	The New York Stock Exchange (NYSE)
USA	NYSE ARCA
USA	NYSE MKT LLC
USA	The Philadelphia Stock Exchange
USA	NASDAQ OMX PHLX (Philadelphia)
USA	National Stock Exchange
USA	The Boston Stock Exchange
USA	NASDAQ OMX BX (Boston)
USA	The Chicago Stock Exchange
USA	NASDAQ and the Over-the-Counter Markets regulated by the National Association of Securities Dealers Inc.

**C: Middle East and Africa**

Egypt	Egyptian Exchange
Kenya	Nairobi Securities Exchange
Kuwait	Kuwait Stock Exchange (Boursa Kuwait)
Morocco	Casablanca Stock Exchange
Qatar	Qatar Exchange
Saudi Arabia	Saudi Stock Exchange
South Africa	The JSE Securities Exchange
UAE	Abu Dhabi Securities Exchange
UAE	Dubai Financial Market
UAE	NASDAQ Dubai Limited

**E: Far East and Australasia**

Australia	Australian Securities Exchange (ASX Limited)
China	Shanghai Stock Exchange (SSE)
China	Shenzhen Stock Exchange (SZSE)
China	Stock Connect
China	Bond Connect
Hong Kong	Hong Kong Exchanges (HKEx)



India	The Bombay Stock Exchange (BSE)
India	National Stock Exchange of India (NSE)
Indonesia	Indonesia Stock Exchange (Bursa Efek Indonesia)
Japan	The Tokyo Stock Exchange
Japan	The Osaka Securities Exchange
Japan	The Nagoya Stock Exchange
Japan	The Sapporo Stock Exchange
Japan	JASDAQ Securities Exchange
South Korea	Korea Exchange Inc. (KRX)
Malaysia	Bursa Malaysia BHD
New Zealand	New Zealand Stock Market (NZSX / NZX)
Pakistan	Pakistan Stock Exchange
Philippines	Philippine Stock Exchange
Singapore	Singapore Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	The Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand
Vietnam	The Vietnam Stock Exchange

## SCHEDULE 2: Eligible Derivative Markets

The following markets shall be eligible derivative markets for those Funds which use derivatives:

Australia	Australian Securities Exchange (ASX Limited)
Australia	Sydney Futures Exchange
Austria	Wiener Borse - Austrian Exchange for derivatives
Belgium	Euronext Brussels
Brazil	Bolsa De Mercadorias & Futuros (BMF)
Canada	Montreal Exchange (Bourse de Montreal)
France	Euronext Paris
Germany	EUREX
Greece	Athens Derivative Exchange (ADEX)
Hong Kong	Hong Kong Exchanges (HKEx)
India	The Bombay Stock Exchange (BSE)
India	National Stock Exchange of India (NSE)
Italy	Italian Stock Exchange (Borsa Italiana)
Japan	Osaka Securities Exchange
Japan	Tokyo Financial Exchange Inc. (TFX)
Japan	Tokyo International Financial Futures Exchange (TIFFE)
Japan	Tokyo Stock Exchange
Japan	Japan Securities Dealers Association (JSDA - Japan OTC Market)
South Korea	Korea Exchange Inc. (KRX)
Malaysia	Malaysia Derivatives Exchange (MDEX) - subsidiary of Bursa Malaysia
Mexico	Mexican Derivatives Exchange (MEXDER)
Mexico	MDX - Mercado Mexicano de Deriva
Netherlands	Euronext Amsterdam
Poland	Warsaw Stock Exchange
Singapore	Singapore Exchange (SIMEX / SGX)
South Africa	South African Futures Exchange (SAF / SAFEX)
Spain	MEFF (BME Spanish Exchanges)
Spain	MEFF Renta Fija
Spain	MEFF Renta Variable (BME Spanish Exchanges)
Sweden	OMX Nordic Exchange Stockholm (SSE)
Taiwan	Taiwan Futures Exchange (TAIFEX)
Thailand	Thailand Futures Exchange (TFEX)
Turkey	Turkish Derivatives Exchange (TurkDex)
UK	EDX London
UK	EUREX
UK	Euronext LIFFE
UK	ICE Futures Europe
USA	Chicago Board of Trade

USA	Chicago Board Options Exchange
USA	CME Group Inc (Chicago Mercantile Exchange)
USA	ICE Futures US
USA	NASDAQ OMX
USA	New York Mercantile Exchange (NYMEX)
USA	CBOE Futures Exchange (CBF)
USA	NYSE LIFFE U.S. (NYL)