PROSPECTUS*

BLACKROCK GLOBAL FUNDS

BLACKROCK®

* This prospectus is only valid if read in conjunction with the addendum dated 13 July 2017.

30 JUNE 2016

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Introduction to BlackRock Global Funds

Structure

BlackRock Global Funds (the "Company") is a public limited company (société anonyme) established under the laws of the Grand Duchy of Luxembourg as an open ended variable capital investment company (société d'investissement à capital variable). The Company has been established on 14 June 1962 and its registration number in the Registry of the Luxembourg Trade and Companies Register is B 6317. The Company has been authorised by the Commission de Surveillance du Secteur Financier (the "**CSSF**") as an undertaking for collective investments in transferable securities pursuant to the provisions of Part I of the law of 17 December 2010, as amended from time to time and is regulated pursuant to such law. Authorisation by the CSSF is not an endorsement or guarantee of the Company by the CSSF nor is the CSSF responsible for the contents of this Prospectus. The authorisation of the Company shall not constitute a warranty as to performance of the Company and the CSSF shall not be liable for the performance or default of the Company.

The articles of association governing the Company (the "Articles") have been deposited with the Luxembourg Trade and Companies Register. The Articles have been amended and restated several times, most recently on 27 May 2011, effective 31 May 2011 and published in the Mémorial C, Recueil des Sociétés et Associations, on 24 June 2011.

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

Management

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

Choice of Funds

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

Fund		Base Currency	Bond/Equity or Mixed Fund
1.	ASEAN Leaders Fund	USD	E
2.	Asia Pacific Equity Income Fund	USD	E
3.	Asian Dragon Fund	USD	E
4.	Asian Growth Leaders Fund	USD	E
5.	Asian Local Bond Fund	USD	B
6.	Asian Multi-Asset Growth Fund	USD	M
7.	Asian Tiger Bond Fund	USD	B
8.	China Fund	USD	E
9.	Continental European Flexible Fund	EUR	E
10.	Emerging Europe Fund	EUR	E
11.	Emerging Markets Bond Fund	USD	B
12.	Emerging Markets Corporate Bond Fund	USD	B
13.	Emerging Markets Equity Income Fund	USD	E
14.	Emerging Markets Fund	USD	E
15.	Emerging Markets Local Currency Bond Fund	USD	B
16.	Euro Bond Fund	EUR	B
17.	Euro Corporate Bond Fund	EUR	B
18.	Euro Reserve Fund	EUR	B
19.	Euro Short Duration Bond Fund	EUR	B
20.	Euro-Markets Fund	EUR	E
21.	European Equity Income Fund	EUR	E
22.	European Focus Fund	EUR	E
23.	European Fund	EUR	E
24.	European High Yield Bond Fund	EUR	B
25.	European Special Situations Fund	EUR	E
26.	European Value Fund	EUR	E
27.	Fixed Income Global Opportunities Fund	USD	B
28.	Flexible Multi-Asset Fund	EUR	M

Fund	Base Currency	Bond/Equity or Mixed Fund
29. Global Allocation Fund	USD	M
30. Global Corporate Bond Fund	USD	B
31. Global Dynamic Equity Fund	USD	E
32. Global Enhanced Equity Yield Fund	USD	E
33. Global Equity Income Fund	USD	E
34. Global Government Bond Fund	USD	B
35. Global High Yield Bond Fund	USD	B
36. Global Inflation Linked Bond Fund	USD	B
37. Global Long-Horizon Equity Fund*	USD	E
38. Global Multi-Asset Income Fund	USD	M
39. Global Opportunities Fund	USD	E
40. Global SmallCap Fund	USD	E
41. India Fund	USD	E
42. Japan Small & MidCap Opportunities Fund	Yen	E
43. Japan Flexible Equity Fund	Yen	E
44. Latin American Fund	USD	E
45. Natural Resources Growth & Income Fund	USD	E
46. New Energy Fund	USD	E
47. North American Equity Income Fund	USD	E
48. Pacific Equity Fund	USD	E
49. Renminbi Bond Fund	RMB	B
50. Strategic Global Bond Fund*	USD	B
51. Swiss Small & MidCap Opportunities Fund	CHF	E
52. United Kingdom Fund	GBP	E
53. US Basic Value Fund	USD	E
54. US Dollar Core Bond Fund	USD	B
55. US Dollar High Yield Bond Fund	USD	B
56. US Dollar Reserve Fund	USD	B
57. US Dollar Short Duration Bond Fund	USD	B
58. US Flexible Equity Fund	USD	E
59. US Government Mortgage Fund	USD	B
60. US Growth Fund	USD	E
61. US Small & MidCap Opportunities Fund	USD	E
62. World Agriculture Fund	USD	E
63. World Bond Fund	USD	B
64. World Energy Fund	USD	E
65. World Financials Fund	USD	E
66. World Gold Fund	USD	E
67. World Healthscience Fund	USD	E
68. World Mining Fund	USD	E
69. World Real Estate Securities Fund	USD	E
70. World Technology Fund	USD	E

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

B Bond Fund

E Equity Fund

M Mixed Fund

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

IMPORTANT NOTICE

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

The Directors of the Company, whose names appear in the section "Board of Directors", and the directors of the Management Company are the persons responsible for the information contained in this document. To the best knowledge and belief of the Directors and the directors of the Management Company (who have taken all reasonable care to ensure that such is the case), the information contained herein is accurate in all material respects and does not omit anything likely to affect the accuracy of such information. The Directors and the directors of the Management Company accept responsibility accordingly.

This Prospectus has been prepared solely for, and is being furnished to investors for the purpose of evaluating an investment in Shares in the Funds. Investment in the Funds is only suitable for investors seeking long-term capital appreciation (save for the Reserve Funds which may not be appropriate for investors who seek long-term capital appreciation) who understand the risks involved in investing in the Company, including the risk of loss of all capital invested.

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

- **certain information contained in this Prospectus, the documents referred to herein and any brochures issued by the Company as substitute offering documents constitutes forward-looking statements, which can be identified by the use of forward-looking terminology such as "seek", "may", "should", "expect", "anticipate", "estimate", "intend", "continue", "target" or "believe" or the negatives thereof or other variations thereof or comparable terminology and includes projected or targeted returns on investments to be made by the Company. Such forward-looking statements are inherently subject to significant economic, market and other risks and uncertainties and accordingly actual events or results or the actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements; and**

- **nothing in this Prospectus should be taken as legal, tax, regulatory, financial, accounting or investment advice.**

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

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

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

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

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

Distribution

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

DIRECTORY

Management and Administration

Management Company
BlackRock (Luxembourg) S.A.
35 A, avenue J.F. Kennedy,
L-1855 Luxembourg,
Grand Duchy of Luxembourg

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

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

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

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

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

Depositary
The Bank of New York Mellon (International) Limited,
Luxembourg Branch
2-4, rue Eugène Ruppert,
L-2453 Luxembourg,
Grand Duchy of Luxembourg

RQFII Custodian
HSBC Bank (China) Company Limited
33th Floor, HSBC Building
Shanghai ifc, 8 Century Avenue
Pudong, Shanghai
China 200120

Fund Accountant
The Bank of New York Mellon (International) Limited,
Luxembourg Branch
2-4, rue Eugène Ruppert,
L-2453 Luxembourg,
Grand Duchy of Luxembourg

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

Auditor
PricewaterhouseCoopers
2, rue Gerhard Mercator
L-2182 Luxembourg,
Grand Duchy of Luxembourg

Legal Advisers
Linklaters LLP
35 avenue John F. Kennedy,
L-1855 Luxembourg,
Grand Duchy of Luxembourg

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

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

Registered Office
2-4, rue Eugène Ruppert,
L-2453 Luxembourg.
Grand Duchy of Luxembourg

Enquiries

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

Board of Directors

Chairman

Nicholas C. D. Hall

Directors

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

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

All Directors of BlackRock Global Funds are Non-Executive Directors.

Glossary

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

Base Currency
means in relation to Shares of any Fund, the currency indicated in the section "Choice of Funds".

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

Business Day
means any day normally treated by the banks in Luxembourg as a business day (except for Christmas Eve) and such other days as the Directors may decide. For Funds that invest a substantial amount of assets outside the European Union, the Management Company may also take into account whether relevant local exchanges are open, and may elect to treat such closures as non-business days.

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

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

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

CSRC
means the China Securities Regulatory Commission of the PRC or its successors which is the regulator of the securities and futures market of the PRC.

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

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

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

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

Dividend Threshold Amount
means such minimum dividend yield set on an annual basis for the period 1 January each year to 31 December each year and which will be paid to investors as determined by the Directors in respect of the Distributing (Y) Shares. The current Dividend Threshold Amount is available from www.blackrock.com. In certain circumstances, as determined by the Directors', the Dividend Threshold Amount may need to be reduced during the year. Shareholders will be notified of this, where possible, in advance.

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

Equity Income Funds
means the Asia Pacific Equity Income Fund, Emerging Markets Equity Income Fund, European Equity Income Fund, Global Equity Income Fund and the North American Equity Income Fund.

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

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

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

Hedged Share Classes
means those Share Classes to which a currency hedging strategy is applied. Hedged Share Classes may be made available in Funds and currencies at the Directors' discretion. Confirmation of the Funds and currencies in which the Hedged Share Classes are available can be obtained from the registered

office of the Company and from the local Investor Servicing team.

HKSCC
means Hong Kong Securities Clearing Company Limited which operates a securities market and a derivatives market in Hong Kong and the clearing houses for those markets.

Institutional Investor
means an institutional investor within the meaning of the 2010 Law which satisfies the eligibility and suitability requirements of institutional investors. Please see the section headed "Restrictions on Holding of Shares".

Interest Rate Differential
means the difference in interest rates between two similar interest-bearing assets.

Investment Adviser(s)
means the investment adviser(s) appointed by the Management Company from time to time in respect of the management of the assets of the Funds as described under "Investment Management of the Funds".

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

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

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

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

ML Group
means the Merrill Lynch group of companies, the holding company of which is Merrill Lynch & Co., Inc., the ultimate holding company of which is Bank of America Corporation.

Net Asset Value
means in relation to a Fund or a Share Class, the amount determined in accordance with the provisions described in paragraphs 12. to 18. of Appendix B. The Net Asset Value of a Fund may be adjusted in accordance with paragraph 18.3 of Appendix B.

Non-Distributing Shares
means Non-Distributing Shares / Non-Distributing Share Classes are Share Classes that do not pay dividends.

OTC derivatives
means over-the-counter derivative instruments.

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

PRC
means the People's Republic of China.

Principal Distributor
means BlackRock Investment Management (UK) Limited acting in its capacity as Principal Distributor. References to distributors may include BlackRock Investment Management (UK) Limited in its capacity as Principal Distributor.

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

QFII
means Qualified Foreign Institutional Investor.

Reserve Funds
means the Euro Reserve Fund and the US Dollar Reserve Fund. The Euro Reserve Fund and the US Dollar Reserve Fund are "Short Term Money-Market Funds" in accordance with the European Securities and Markets Authority's ("ESMA") "Guidelines on a common definition of European money market funds". The investment objectives of the Euro Reserve Fund and the US Dollar Reserve Fund are intended to comply with this classification.

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

RMB or Renminbi
means Renminbi, the lawful currency of the PRC.

RQFII
means Renminbi Qualified Foreign Institutional Investor.

RQFII Custodian
means HSBC Bank (China) Company Limited or such other person appointed as a sub-custodian of the relevant Fund for China A Shares and/or China onshore bonds acquired through the RQFII Quota.

RQFII Licence
means the licence awarded by the CSRC to entities based in certain jurisdictions outside of the PRC, enabling such entities to acquire RQFII Quota.

RQFII Licence Holder
means the holder of a RQFII Licence.

RQFII Quota
means Renminbi denominated investment quota issued by SAFE to holders of a RQFII Licence in respect of certain onshore PRC securities.

SAFE
means the State Administration of Foreign Exchange of the PRC.

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

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

SFC
means the Securities and Futures Commission in Hong Kong.

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

Stock Connect
means the Shanghai-Hong Kong Stock Connect.

SSE
means the Shanghai Stock Exchange.

SEHK
means the Stock Exchange of Hong Kong.

Subsidiary
means BlackRock India Equities (Mauritius) Limited, a wholly-owned subsidiary of the Company, incorporated as a private company limited by shares through which the India Fund may invest into securities.

UCITS
means an undertaking for collective investment in transferable securities.

UCITS Directive
means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended.

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

A list of the Funds which currently have UK Reporting Fund status is available at https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-fund.

Investment Management of the Funds

Management

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

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

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

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

The directors of the Management Company are:

Chairman
Francine Keiser

Directors
Graham Bamping
Joanne Fitzgerald
Adrian Lawrence
Geoffrey Radcliffe
Leon Schwab

Joanne Fitzgerald, Adrian Lawrence, Geoffrey Radcliffe and Leon Schwab are employees of the BlackRock Group (of which the Management Company, Investment Advisers and Principal Distributor are part).

Graham Bamping is a former employee of the BlackRock Group.

Francine Keiser is an independent non-executive Chairman.

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

The Remuneration Policy of the Management Company sets out the policies and practices that are consistent with and promote sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Company and does not impair compliance with the Management Company's duty to act in the best interest of shareholders. The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the UCITS funds that it manages and of the investors in such UCITS funds, and includes measures to avoid conflicts of interest. It includes a description as to how remuneration and benefits are calculated and identifies those individuals responsible for awarding remuneration and benefits. With regard to the internal organisation of the Management Company, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS funds managed by the Management Company in order to ensure that the assessment process is based on longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period. The Remuneration Policy includes fixed and variable components of salaries and discretionary pension benefits that are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component. 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 Management Company. The details of the up-to-date Remuneration Policy, including but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee where such a committee exists, are available on the individual Fund pages at www.blackrock.com (select the relevant Fund in the "Product" section and then select "All Documents") and a paper copy will be made available free of charge upon request from the registered office of the Management Company.

Investment Advisers and Sub-Advisers

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

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

BlackRock Investment Management (UK) Limited also acts as the investment manager to the Subsidiary.

BlackRock Investment Management (UK) Limited has sub-delegated some of its functions to BlackRock Japan Co., Ltd., BlackRock Asset Management North Asia Limited ("BAMNA") and to BlackRock Investment Management (Australia) Limited.

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

BAMNA is regulated by the SFC.

BlackRock Financial Management, Inc. and BlackRock Investment Management, LLC are regulated by the Securities and Exchange Commission. BlackRock Financial Management, Inc. has sub-delegated some of these functions to BlackRock Investment Management (Australia) Limited and BlackRock Investment Management (UK) Limited.

The investment sub-advisers are also licensed and/or regulated (as applicable). BlackRock Japan Co., Ltd is regulated by the

Japanese Financial Services Agency. BlackRock Investment Management (Australia) Limited is licensed by the Australian Securities and Investments Commission as an Australian Financial Services Licence holder.

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

Risk Considerations

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

Investors should review this Prospectus carefully and in its entirety and are invited to consult with their professional advisers before making an application for Shares. An investment in the Shares should form only a part of a complete investment programme and an investor must be able to bear the loss of its entire investment. Investors should carefully consider whether an investment in the Shares is suitable for them in light of their circumstances and financial resources. In addition, investors should consult their own tax advisers regarding the potential tax consequences of the activities and investments of the Company and/or each Fund. Below is a summary of risk factors that apply to all Funds which in particular, in addition to the matters set out elsewhere in this Prospectus, should be carefully evaluated before making an investment in the Shares. Not all risks apply to all Funds. The risks that, in the opinion of the Directors and the Management Company, could have significant impact on the overall risk of the relevant Fund are detailed in the table in the section "Specific Risk Considerations".

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

General Risks

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

Financial Markets, Counterparties and Service Providers

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

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

Tax Considerations

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

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

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

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

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

The tax laws and regulations in the PRC may be expected to change and develop as the PRC's economy changes and develops. Consequently, there may be less authoritative guidance to assist in planning and less uniform application of the tax laws and regulations in comparison to more developed markets. In addition, any new tax laws and regulations and any new interpretations may be applied retroactively. The application and enforcement of PRC tax rules could have a significant adverse effect on the Company and its investors, particularly in relation to capital gains withholding tax imposed upon non-residents. The Company does not currently intend to make any accounting provisions for these tax uncertainties.

Similarly, the tax regime in India has been subject to development and uncertainty. Investors' attention is particularly drawn to the section headed "**The Subsidiary, Risk Considerations – India Fund**" in Appendix C of this Prospectus.

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

Share Class Contagion

It is the Directors' intention that all gains/losses or expenses arising in respect of a particular Share Class are borne separately by that Share Class. Given that there is no segregation of liabilities between Share Classes, there is a risk that, under certain circumstances, transactions in relation to one Share Class could result in liabilities which might affect the Net Asset Value of the other Share Classes of the same Fund.

Currency Risk – Base Currency

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

Currency Risk – Share Class Currency

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

Currency Risk – Investor's Own Currency

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

Hedged Share Classes

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

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

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

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

Global Financial Market Crisis and Governmental Intervention

Since 2007, global financial markets have undergone pervasive and fundamental disruption and suffered significant instability which has led to governmental intervention. Regulators in many jurisdictions have implemented or proposed a number of emergency regulatory measures. Government and regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Adviser's ability to implement a Fund's investment objective.

Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilise the financial markets is unknown. The Investment Advisers cannot predict how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on a Fund, the European or global economy and the global securities markets. The Investment Advisers are monitoring the situation. Instability in the global financial markets or government intervention may increase the volatility of the Funds and hence the risk of loss to the value of your investment.

Derivatives – General

In accordance with the investment limits and restrictions set out in Appendix A, each of the Funds may use derivatives to hedge market, interest rate and currency risk, and for the purposes of efficient portfolio management. Certain Funds may use derivative strategies for investment purposes as described in the section headed "Investment Objectives and Policies" as set out below.

For more detail regarding the derivative strategies applied by individual Funds please refer to the individual Fund investment objectives and policies in the section headed "Investment Objectives and Policies" below.

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

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

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

Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where a Fund's credit exposure to its counterparty under a derivative contract is not fully collateralised but each Fund will continue to observe the limits set out in Appendix A. 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. Where derivative instruments are used in this manner the overall risk profile of the Fund may be increased. Accordingly the Company will employ a risk-management process which enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Fund. The Management Company uses one of two methodologies to calculate each Fund's global exposure, the "Commitment Approach" or the "Value at Risk" or "VaR" approach, in both cases ensuring each Fund complies with the investment restrictions set out in Appendix A. The methodology used for each Fund will be determined by the Management Company based on the investment strategy of the relevant Fund. Details about the methodologies used for each Fund are set out in the section entitled "Investment Objectives and Policies".

For more detail regarding the derivative strategies applied by individual Funds please refer to the individual Fund investment objectives in the section headed "Investment Objectives and Policies" below and the latest risk management programme which is available on request from the local Investor Servicing team.

Securities Lending

The Funds may engage in securities lending. The Funds engaging in securities lending will have a credit risk exposure to the counterparties to any securities lending contract. Fund investments can be lent to counterparties over a period of time. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the Fund. The Company intends to ensure that all securities lending is fully collateralised but, to the extent that any securities lending is not fully collateralised (for example due to timing issues arising from payment lags), the Funds will have a credit risk exposure to the counterparties to the securities lending contracts.

Counterparty Risk

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

Counterparty Risk to the Depositary

The assets of the Company are entrusted to the Depositary for safekeeping, as set out in further detail in paragraph 11. of Appendix C. In accordance with the UCITS Directive, in safekeeping the assets of the Company, the Depositary shall: (a) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary; and (b) for other assets, verify the ownership of such assets and maintain a record accordingly. The assets of the Company should be identified in the Depositary's books as belonging to the Company.

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

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

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

Fund Liability Risk

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

Market Leverage

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

Repurchase and Reverse Repurchase Agreements

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

Other Risks

The Funds may be exposed to risks that are outside of their control – for example legal risks from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress; the risk of terrorist actions; the risk that economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

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

Specific Risk Considerations

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

Specific Risk Considerations

No.	FUND	Risk to Capital Growth	Fixed Income	Distres-sed Securities	Delayed Delivery Transac-tions	Small Cap	Equity risk	ABS/ MBS	Portfolio Concent-ration Risk	Contin-gent Con-vertible Bonds
1.	ASEAN Leaders Fund					X	X			
2.	Asia Pacific Equity Income Fund	X				X	X			
3.	Asian Dragon Fund					X	X			
4.	Asian Growth Leaders Fund					X	X			
5.	Asian Local Bond Fund		X	X						
6.	Asian Multi-Asset Growth Fund		X	X		X	X			
7.	Asian Tiger Bond Fund		X	X						
8.	China Fund					X	X			
9.	Continental European Flexible Fund					X	X			
10.	Emerging Europe Fund					X	X			
11.	Emerging Markets Bond Fund	X	X	X						
12.	Emerging Markets Corporate Bond Fund		X	X						
13.	Emerging Markets Equity Income Fund	X				X	X			
14.	Emerging Markets Fund					X	X			
15.	Emerging Markets Local Currency Bond Fund	X	X	X						
16.	Euro Bond Fund		X							
17.	Euro Corporate Bond Fund		X							
18.	Euro Reserve Fund		X							
19.	Euro Short Duration Bond Fund		X							
20.	Euro-Markets Fund					X	X			
21.	European Equity Income Fund	X				X	X			
22.	European Focus Fund					X	X			
23.	European Fund					X	X			
24.	European High Yield Bond Fund		X	X	X					
25.	European Special Situations Fund					X	X			
26.	European Value Fund					X	X			
27.	Fixed Income Global Opportunities Fund		X	X	X			X		
28.	Flexible Multi-Asset Fund		X				X			
29.	Global Allocation Fund		X	X		X	X			
30.	Global Corporate Bond Fund		X							
31.	Global Dynamic Equity Fund					X	X			
32.	Global Enhanced Equity Yield Fund	X				X	X			
33.	Global Equity Income Fund	X				X	X			
34.	Global Government Bond Fund		X		X					
35.	Global High Yield Bond Fund		X	X	X					
36.	Global Inflation Linked Bond Fund		X		X					
37.	Global Long-Horizon Equity Fund					X	X		X	
38.	Global Multi-Asset Income Fund	X	X				X			
39.	Global Opportunities Fund					X	X			
40.	Global SmallCap Fund					X	X			
41.	India Fund					X	X			
42.	Japan Small & MidCap Opportunities Fund					X	X			
43.	Japan Flexible Equity Fund					X	X			

Specific Risk Considerations

No.	FUND	Risk to Capital Growth	Fixed Income	Distres-sed Securities	Delayed Delivery Transac-tions	Small Cap	Equity risk	ABS/ MBS	Portfolio Concent-ration Risk	Contin-gent Con-vertible Bonds
44.	Latin American Fund					X	X			
45.	Natural Resources Growth & Income Fund	X				X	X			
46.	New Energy Fund					X	X			
47.	North American Equity Income Fund	X					X			
48.	Pacific Equity Fund					X	X			
49.	Renminbi Bond Fund		X	X						
50.	Strategic Global Bond Fund		X	X	X		X	X		X
51.	Swiss Small & MidCap Opportunities Fund					X	X			
52.	United Kingdom Fund					X	X			
53.	US Basic Value Fund						X			
54.	US Dollar Core Bond Fund		X		X					
55.	US Dollar High Yield Bond Fund		X	X	X					
56.	US Dollar Reserve Fund		X							
57.	US Dollar Short Duration Bond Fund		X		X					
58.	US Flexible Equity Fund						X			
59.	US Government Mortgage Fund	X	X		X			X		
60.	US Growth Fund						X			
61.	US Small & MidCap Opportunities Fund					X	X			
62.	World Agriculture Fund					X	X			
63.	World Bond Fund		X		X					
64.	World Energy Fund					X	X			
65.	World Financials Fund					X	X			
66.	World Gold Fund					X	X			
67.	World Healthscience Fund					X	X			
68.	World Mining Fund					X	X			
69.	World Real Estate Securities Fund					X	X			
70.	World Technology Fund					X	X			

Specific Risk Considerations

No.	FUND	Special Risks - Continued							
No.	FUND	Emerging Market	Sovereign Debt	Bond Down-grade Risk	Restrictions on foreign Investments	Speci-fic Sec-tors	Commodities accessed via ETFs	Derivatives – Specific	Turn-over
1.	ASEAN Leaders Fund	X			X				
2.	Asia Pacific Equity Income Fund	X			X				
3.	Asian Dragon Fund	X			X				
4.	Asian Growth Leaders Fund	X			X	X			
5.	Asian Local Bond Fund	X	X	X	X			X	
6.	Asian Multi-Asset Growth Fund	X	X	X	X			X	
7.	Asian Tiger Bond Fund	X	X	X	X			X	
8.	China Fund	X			X				
9.	Continental European Flexible Fund	X			X				
10.	Emerging Europe Fund	X			X				
11.	Emerging Markets Bond Fund	X	X	X	X			X	
12.	Emerging Markets Corporate Bond Fund	X		X	X			X	
13.	Emerging Markets Equity Income Fund	X			X				
14.	Emerging Markets Fund	X			X				
15.	Emerging Markets Local Currency Bond Fund	X	X	X	X			X	
16.	Euro Bond Fund		X	X				X	
17.	Euro Corporate Bond Fund		X	X	X			X	
18.	Euro Reserve Fund		X	X				X	
19.	Euro Short Duration Bond Fund		X	X				X	
20.	Euro-Markets Fund								
21.	European Equity Income Fund	X			X				
22.	European Focus Fund	X			X				
23.	European Fund	X			X				
24.	European High Yield Bond Fund		X	X				X	
25.	European Special Situations Fund	X			X				
26.	European Value Fund	X			X				
27.	Fixed Income Global Opportunities Fund	X	X	X	X			X	
28.	Flexible Multi-Asset Fund		X	X				X	
29.	Global Allocation Fund	X	X	X	X		X	X	
30.	Global Corporate Bond Fund	X	X	X	X			X	
31.	Global Dynamic Equity Fund	X			X			X	
32.	Global Enhanced Equity Yield Fund	X			X			X	
33.	Global Equity Income Fund	X			X			X	
34.	Global Government Bond Fund		X	X				X	
35.	Global High Yield Bond Fund		X	X				X	
36.	Global Inflation Linked Bond Fund	X	X	X	X			X	
37.	Global Long-Horizon Equity Fund	X			X			X	
38.	Global Multi-Asset Income Fund	X	X	X	X			X	
39.	Global Opportunities Fund	X			X			X	
40.	Global SmallCap Fund	X			X			X	
41.	India Fund	X			X				
42.	Japan Small & MidCap Opportunities Fund								
43.	Japan Flexible Equity Fund								

Specific Risk Considerations

No.	FUND	Emerging Market	Sovereign Debt	Bond Down-grade Risk	Restrictions on foreign Investments	Speci-fic Sec-tors	Commodities accessed via ETFs	Derivatives – Specific	Turn-over
		Special Risks - Continued							
44.	Latin American Fund	X			X				
45.	Natural Resources Growth & Income Fund	X			X	X	X	X	
46.	New Energy Fund	X			X	X			
47.	North American Equity Income Fund								
48.	Pacific Equity Fund	X			X			X	
49.	Renminbi Bond Fund	X	X	X	X			X	
50.	Strategic Global Bond Fund	X	X	X	X			X	
51.	Swiss Small & MidCap Opportunities Fund								
52.	United Kingdom Fund								
53.	US Basic Value Fund								
54.	US Dollar Core Bond Fund		X	X				X	X
55.	US Dollar High Yield Bond Fund		X	X				X	
56.	US Dollar Reserve Fund		X	X				X	
57.	US Dollar Short Duration Bond Fund		X	X				X	
58.	US Flexible Equity Fund								
59.	US Government Mortgage Fund		X	X				X	
60.	US Growth Fund								
61.	US Small & MidCap Opportunities Fund								
62.	World Agriculture Fund	X			X	X	X		
63.	World Bond Fund	X	X	X				X	
64.	World Energy Fund	X			X	X	X		
65.	World Financials Fund	X			X	X			
66.	World Gold Fund	X			X	X	X		
67.	World Healthscience Fund	X			X	X		X	
68.	World Mining Fund	X			X	X	X		
69.	World Real Estate Securities Fund					X			
70.	World Technology Fund	X			X	X			

Specific Risks

Risk to Capital Growth

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

- if the securities markets in which the Fund invests had declined to such an extent that the Fund has incurred net capital losses;
- if dividends are paid gross of fees and expenses this will mean fees and expenses are paid out of net realised and net unrealised capital gains or initially subscribed capital. As a result payment of dividends on this basis may reduce capital growth or reduce the capital of the Fund and/or relevant Share Class. See also “Tax Considerations” below; or
- if dividends include Interest Rate Differential arising from Share Class currency hedging, this will mean that the dividend may be higher but capital of the relevant Share Class will not benefit from the Interest Rate Differential. Where net Share Class currency hedging returns do not fully cover the Interest Rate Differential portion of a dividend, such shortfall will have the effect of reducing capital. This risk to capital growth is particularly relevant for Distributing (R) Shares as, for this Share Class, a material portion of any dividend payment may be made out of capital since the dividend is calculated on the basis of expected gross income plus Interest Rate Differential. Therefore the capital that is returned via the dividend is not available for future capital growth.
- if dividends calculated on an annual basis in respect of Distributing (Y) Shares are lower than the Dividend Threshold Amount, this will mean that there may be a shortfall which may need to be paid out of capital and therefore may have the effect of reducing capital. For this Share Class, the risk to capital growth is particularly relevant, since any dividend distributions on an annual basis must be at least equal to the Dividend Threshold Amount, and in the event of a shortfall, a material portion of any dividend payment may be made out of capital. Therefore the capital that is returned via the dividend will not be available for future capital growth.

Fixed Income Transferable Securities

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

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

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

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

Asset-backed Securities (“ABS”)

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

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

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

Generic risks related to ABS

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

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

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

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

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

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

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

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

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

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

Collateralised Debt Obligation ("CDO")

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

Credit Linked Note – ("CLN")

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

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

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

Synthetic Collateralised Debt Obligation

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

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

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

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

Whole Business Securitisation ("WBS"):

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

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

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

Generic risks related to MBS

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

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

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

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

Commercial Mortgage Backed Security ("CMBS")

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

Collateralised Mortgage Obligation ("CMO")

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

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

Real Estate Mortgage Investment Conduits ("REMIC")

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

Residential mortgage-backed security ("RMBS")

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

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

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 Adviser believes either that the security trades at a materially different level from the Investment Adviser's perception of fair value or that it is reasonably likely that the issuer of the securities will make an exchange offer or will be the subject of a plan of reorganisation; however, there can be no assurance that such an exchange offer will be made or that

such a plan of reorganisation will be adopted or that any securities or other assets received in connection with such an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made. In addition, a significant period of time may pass between the time at which the investment in Distressed Securities is made and the time that any such exchange, offer or plan of reorganisation is completed. During this period, it is unlikely that any interest payments on the Distressed Securities will be received, there will be significant uncertainty as to whether fair value will be achieved or not and the exchange offer or plan of reorganisation will be completed, and there may be a requirement to bear certain expenses to protect the investing Fund's interest in the course of negotiations surrounding any potential exchange or plan of reorganisation. Furthermore, constraints on investment decisions and actions with respect to Distressed Securities due to tax considerations may affect the return realised on the Distressed Securities.

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

Contingent Convertible Bonds
A contingent convertible bond is a type of complex debt security which may be converted into the issuer's equity or be partly or wholly written off if a pre-specified trigger event occurs. Trigger events may be outside of the issuer's control. Common trigger events include the share price of the issuer falling to a particular level for a certain period of time or the issuer's capital ratio falling to a pre-determined level. Coupon payments on certain contingent convertible bonds may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

Events that trigger the conversion from debt into equity are designed so that conversion occurs when the issuer of the contingent convertible bonds is in financial difficulty, as determined either by regulatory assessment or objective losses (e.g. if the capital ratio of the issuer company falls below a pre-determined level).

Investment in contingent convertible bonds may entail the following (non-exhaustive) risks:

Contingent convertible bonds' investors may suffer a loss of capital when equity holders do not.

Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Fund to anticipate the trigger events that would require the debt to convert into equity. Furthermore, it might be difficult for the Fund to assess how the securities will behave upon conversion. In case of conversion into equity, the Fund might be forced to sell these new equity shares because the investment policy of the Fund does not allow equity in its portfolio. Such a forced sale, and the increased availability of these shares might have an effect on market liquidity in so far as there may not be sufficient demand for these shares.

In the event that a contingent convertible bond is written off (a "write-down") as the result of a pre-specified trigger event, the Fund may suffer a full, partial or staggered loss of the value of its investment. A write-down may be either temporary or permanent.

In addition, most contingent convertible bonds are issued as perpetual instruments which are callable at pre-determined dates. Perpetual contingent convertible bonds may not be called on the pre-defined call date and investors may not receive return of principal on the call date or at any date.

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

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

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

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

may result in above-average fluctuations in the Net Asset Value of a Fund's Shares.

Equity Risks
The values of equities fluctuate daily and a Fund investing in equities could incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and catastrophic events.

Money-Market Instruments
The Euro Reserve Fund and the US Dollar Reserve Fund invest a significant amount of their Net Asset Value in approved money-market instruments and in this regard investors might compare the funds to regular deposit accounts. Investors should however note that holdings in these Funds are subject to the risks associated with investing in a collective investment scheme, in particular the fact that the principal sum invested is capable of fluctuation as the Net Asset Value of the Funds fluctuates.

Money-market instruments are subject to both actual and perceived measures of creditworthiness. The "downgrading" of a rated money-market instrument or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of these instruments, particularly in an illiquid market.

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

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

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

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

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

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

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

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

participate in the rescheduling of such debt and to extend further loans to governmental entities.

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

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

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

Investments in the PRC
Investments in the PRC are currently subject to certain additional risks, particularly regarding the ability to deal in securities in the PRC. Dealing in certain PRC securities is restricted to licensed investors and the ability of the investor to repatriate its capital invested in those securities may be limited at times. Due to issues relating to liquidity and repatriation of capital, the Company may determine from time to time that making direct investments in certain securities may not be appropriate for a UCITS. As a result, the Company may choose to gain exposure to PRC securities indirectly and may be unable to gain full exposure to the PRC markets.

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

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

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

PRC Political Risks
Any political changes, social instability and adverse diplomatic developments which may take place in, or in relation to, the PRC could result in significant fluctuation in the price of China A Shares and/or China onshore bonds.

Legal System of the PRC
The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have no precedent value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, because of the limited volume of published cases and judicial interpretation and their non-binding nature, the interpretation and enforcement of these regulations involves significant uncertainties. Given the short history of the PRC system of commercial laws, the PRC regulatory and legal framework may not be as well developed as those of developed countries. Such regulations also empower the CSRC and SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the relevant Fund's onshore business operations or the ability of the relevant Fund to acquire China A Shares and/or China onshore bonds.

Onshore versus Offshore Renminbi Risk
The Renminbi, the lawful currency of the PRC, is not currently a freely convertible currency and is subject to exchange control imposed by the PRC government. Such control of currency conversion and movements in the Renminbi exchange rates may adversely affect the operations and financial results of companies in the PRC. Insofar as the relevant Fund may invest in the PRC, it will be subject to the risk of the PRC government's imposition of restrictions on the repatriation of funds or other assets out of the country, limiting the ability of the relevant Fund to satisfy payments to investors.

The exchange rate used for all relevant Fund transactions in Renminbi is in relation to the offshore Renminbi ("CNH"), not the onshore Renminbi ("CNY"), save for those made via the RQFII Quota. The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions applied by the PRC government from time-to-time as well as other external market forces.

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

- As a result of Russia's action in Crimea, as at the date of this Prospectus, the United States, European Union and other countries have imposed sanctions on Russia. The scope and level of the sanctions may increase and there is a risk that this may adversely affect the Russian economy and result in a decline in the value and liquidity of Russian securities, a devaluation of the Russian currency and/or a downgrade in Russia's credit rating. These sanctions could also lead to Russia taking counter-measures more broadly against Western and other countries. Depending on the form of action which may be taken by Russia and other countries, it could become more difficult for the Funds with exposure to Russia to continue investing in Russia and/or to liquidate Russian investments and expatriate funds out of Russia. Measures taken by the Russian government could include freezing or seizure of Russian assets of European residents which would reduce the value and liquidity of any Russian assets held by the Funds. If any of these events were to occur, the Directors may (at their discretion) take such action as they consider to be in the interests of investors in Funds which have investment exposure to Russia, including (if necessary) suspending trading in the Funds (see section 30. entitled "Suspensions and Deferrals" in Appendix B for more details).

- The laws relating to securities investments and regulations have been created on an ad-hoc basis and do not tend to keep pace with market developments leading to ambiguities in interpretation and inconsistent and arbitrary application. Monitoring and enforcement of applicable regulations is rudimentary.

- Rules regulating corporate governance either do not exist or are underdeveloped and offer little protection to minority shareholders.

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

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

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

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

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

Real estate securities are subject to some of the same risks associated with the direct ownership of real estate including, but not limited to: adverse changes in the conditions of the real estate markets, changes in the general and local economies, obsolescence of properties, changes in availability of real estate stock, vacancy rates, tenant bankruptcies, costs and terms of mortgage financing, costs of operating and improving real estate and the impact of laws affecting real estate (including environmental and planning laws).

However, investing in real estate securities is not equivalent to investing directly in real estate and the performance of real estate securities may be more heavily dependant on the general performance of stock markets than the general performance of the real estate sector. Historically there had been an inverse relationship between interest rates and property values. Rising interest rates can decrease the value of the properties in which a real estate company invests and can also increase related borrowing costs. Either of these events can decrease the value of an investment in real estate companies.

The current taxation regimes for property-invested entities are potentially complex and may change in the future. This may impact either directly or indirectly the returns to investors in a real estate fund and the taxation treatment thereof.

Portfolio Concentration Risk
Certain Funds may invest in a limited number of securities compared to other more diversified Funds holding a larger number of securities. Where a Fund holds a limited number of securities and is considered concentrated, the value of the Fund may fluctuate more than that of a diversified Fund holding a greater number of securities. The selection of securities in a concentrated portfolio may also result in sectoral and geographical concentration.

Turnover Risk
The US Dollar Core Bond Fund may have a large exposure to US Treasury bonds. The Investment Adviser supports the liquidity of the Fund by ensuring that it invests in “on the run” Treasury bonds which are those that have recently been issued and are hence most liquid. The Investment Adviser has therefore a policy of rotating the bonds to offer greater liquidity for a lower cost of trading. However, this policy may result in additional transaction costs which will be borne by the Fund and may adversely affect the Fund’s Net Asset Value and the interest of relevant shareholders.

Exposure to Commodities within Exchange Traded Funds
An Exchange Traded Fund investing in commodities may do so by replicating the performance of a commodities index. The underlying index may concentrate investment on selected commodity futures on multinational markets. This makes the underlying exchange traded fund extremely dependent on the performance of the commodity markets concerned.

Derivatives- Specific
The Funds may use derivatives for investment purposes or for the purpose of efficient portfolio management and for hedging in accordance with their respective investment objective and policies. In particular this may involve (on a non-exhaustive basis):

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

Investors should note the associated risks with the following types of derivative instruments and strategies as described below:

Credit Default Swaps, Interest Rate Swaps, Currency Swaps, Total Return Swaps and Swaptions
The use of credit default swaps may carry a higher risk than investing in bonds directly. A credit default swap allows the transfer of default risk. This allows investors to effectively buy insurance on a bond they hold (hedging the investment) or buy protection on a bond they do not physically own where the investment view is that the stream of coupon payments required will be less than the payments received due to the decline in credit quality. Conversely, where the investment view is that the payments due to decline in credit quality will be less than the coupon payments, protection will be sold by means of entering into a credit default swap. Accordingly, one party, the protection buyer, makes a stream of payments to the seller of protection, and a payment is due to the buyer in the event that there is a “credit event” (a decline in credit quality, which will be pre-defined in the agreement). If the credit event does not occur the buyer pays all the required premiums and the swap terminates

on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid.

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

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

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

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

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

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

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

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

The price of volatility derivatives may be highly volatile, and may move in a different way to the other assets of the Fund, which could have a significant effect on the Net Asset Value of a Fund's Shares.

Currency Overlay Strategies
In addition to the use of techniques and instruments to control currency risk (see 'Currency Risk'), certain Funds may invest in currencies or utilise techniques and instruments in relation to currencies other than the Base Currency with the aim of generating positive returns. The Investment Adviser utilises specialist currency overlay strategies which involves the creation of long positions and synthetic pair trades in currencies to implement tactical views through the use of currency derivatives, including forward foreign exchange contracts, currency futures, options, swaps and other instruments providing exposure to changes in exchange rates. The movement in currency exchange rates can be volatile and where funds engage substantially in such strategies, there will be a significant impact on the overall performance of the funds. These Funds have the flexibility to invest in any currency in the world including emerging market currencies which may be less liquid and currencies that may be affected by the actions of governments and central banks including intervention, capital controls, currency peg mechanisms or other measures.

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

Excessive Trading Policy

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

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

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

- fair value pricing – Appendix B paragraph 17.;
- price swinging – Appendix B paragraph 18.3;
- in specie redemptions – Appendix B paragraphs 24.-25.; and
- conversion charges – Appendix B paragraphs 20.-22..

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

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

Specific Risks Applicable to RQFII Investing

Please refer to the section entitled "RQFII Investments" in the "Investment Objectives and Policies" section for an overview of the RQFII Scheme.

The following Funds (as at the date of this Prospectus) may invest directly in the PRC by investing in China A Shares and/or China onshore bonds (as relevant) via RQFII Quota, which may be allocated to BAMNA as RQFII or an affiliate in the BlackRock Group who is a RQFII and has been allocated RQFII Quota (subject to such entity being appointed as an Investment Adviser or investment sub-adviser to the relevant RQFII Access Fund (as defined below) and that they have received the RQFII Quota allocation):

Asian Dragon Fund, Asian Growth Leaders Fund, ASEAN Leaders Fund, Asian Local Bond Fund, Asia Pacific Equity Income Fund, Asian Tiger Bond Fund, Asian Multi-Asset Growth Fund, China Fund, Emerging Markets Local Currency Bond Fund, Pacific Equity Fund and Renminbi Bond Fund (the "**RQFII Access Funds**").

In addition to the risks set out under "Investments in the PRC" and other risks applicable to the RQFII Access Funds the following additional risks apply:

RQFII Risk
The RQFII system was introduced in 2011 and as such, the regulations which regulate investments through RQFIIs in the PRC and associated processes, such as the repatriation of capital from RQFII investments, are relatively new. Repatriations of Renminbi by RQFIIs are currently permitted once a day and are not subject to repatriation restrictions or prior regulatory approval. The application and interpretation of the relevant investment regulations are relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. It is not possible to predict the future development of the RQFII system. Any restrictions on repatriation imposed in respect of the relevant RQFII Access Fund's RQFII investments may have an adverse effect on the RQFII Access Fund's ability to meet redemption requests. Any change in the RQFII system generally, including the possibility of the RQFII losing its RQFII status, may affect the relevant RQFII Access Fund's ability to invest in eligible securities in the PRC directly through the relevant RQFII. In addition, should the RQFII status be suspended or revoked, the relevant RQFII Access Fund's performance may be adversely affected as the relevant RQFII Access Fund may be required to dispose of its RQFII eligible securities holdings.

RQFII Quota Allocation and Conflict Risk
The RQFII will assume dual roles as the Investment Adviser / investment sub-adviser of the relevant RQFII Access Fund and the RQFII Licence Holder. The RQFII may act as Investment Adviser or investment sub-adviser for several RQFII Access Funds that may benefit from the allocation of a RQFII Quota. Situations may arise where the RQFII does not have sufficient

RQFII Quota to satisfy all RQFII Access Funds and it allocates RQFII Quota to a particular RQFII Access Fund or RQFII Access Funds at the expense of others. There is no assurance that the RQFII will make available RQFII Quota that is sufficient for a RQFII Access Fund's investment at all times. In extreme circumstances, the RQFII Access Fund may incur substantial losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy due to insufficiency of RQFII Quota. In addition, the size of the RQFII Quota may be reduced or cancelled by the SAFE if the RQFII is unable to use its RQFII quota effectively within one year since the quota is granted. If the SAFE reduces the RQFII's Quota, it may affect the allocation to the RQFII Access Funds and accordingly the RQFII's ability to effectively pursue the investment strategy of the relevant RQFII Access Fund.

RQFII Investment Restrictions Risk

Although the RQFII does not anticipate that RQFII investment restrictions will impact on the ability of the RQFII Access Funds to achieve their investment objectives, investors should note that the relevant PRC laws and regulations may limit the ability of a RQFII to acquire China A Shares in certain PRC issuers from time to time. This may occur in a number of circumstances, such as (i) where an underlying foreign investor such as the RQFII holds in aggregate 10% of the total share capital of a listed PRC issuer (regardless of the fact that the RQFII may hold its interest on behalf of a number of different ultimate clients), and (ii) where the aggregated holdings in China A Shares by all underlying foreign investors (including other QFIIs and RQFIIs and whether or not connected in any way to the RQFII Access Funds) already equal 30% of the total share capital of a listed PRC issuer. In the event that these limits are exceeded the relevant RQFIIs will be required to dispose of the China A Shares in order to comply with the relevant requirements and, in respect of (ii), each RQFII will dispose of the relevant China A Shares on a "last in first out" basis. Such disposal will affect the capacity of the relevant RQFII Access Fund in making investments in China A Shares through the RQFII.

Suspensions, Limits and other Disruptions affecting Trading of China A Shares

Liquidity for China A Shares will be impacted by any temporary or permanent suspensions of particular stocks imposed from time to time by the Shanghai and/or Shenzhen stock exchanges or pursuant to any regulatory or governmental intervention with respect to particular investments or the markets generally. Any such suspension or corporate action may make it impossible for the relevant RQFII Access Fund to acquire or liquidate positions in the relevant stocks as part of the general management and periodic adjustment of the RQFII Access Fund's investments through the RQFII or to meet redemption requests. Such circumstances may also make it difficult for the Net Asset Value of the RQFII Access Fund to be determined and may expose the RQFII Access Fund to losses.

In order to mitigate the effects of extreme volatility in the market price of China A Shares, the Shanghai and Shenzhen stock exchanges currently limit the amount of fluctuation permitted in the prices of China A Shares during a single trading day. The daily limit is currently set at 10% and represents the maximum amount that the price of a security (during the current trading session) may vary either up or down from the previous day's settlement price. The daily limit governs only price movements and does not restrict trading within the relevant limit. However, the limit does not limit potential losses because the limit may work to prevent a liquidation of any relevant securities at the fair or probable realisation value for such securities which means that the relevant RQFII Access Fund may be unable to dispose of unfavourable positions. There can be no assurance that a liquid market on an exchange would exist for any particular China A Share or for any particular time.

Counterparty Risk to the RQFII Custodian and other Depositaries for PRC assets

Any assets acquired through the RQFII Quota will be maintained by the RQFII Custodian, in electronic form via the RQFII securities account(s) and any cash will be held in Renminbi cash account(s)) (as defined under the section "RQFII Investments") with the RQFII Custodian. RQFII securities account(s) and Renminbi cash account(s) for the relevant RQFII Access Fund in the PRC are maintained in accordance with market practice. Whilst the assets held in such accounts are segregated and held separately from the assets of the RQFII and belong solely to the relevant RQFII Access Fund, it is possible that the judicial and regulatory authorities in the PRC may interpret this position differently in the future. The relevant RQFII Access Fund may also incur losses due to the acts or omissions of the RQFII Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

Cash held by the RQFII Custodian in the Renminbi cash account(s) will not be segregated in practice but will be a debt owing from the RQFII Custodian to the relevant RQFII Access Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the RQFII Custodian. In the event of insolvency of the RQFII Custodian, the relevant RQFII Access Fund will not have any proprietary rights to the cash deposited in the cash account opened with the RQFII Custodian, and the RQFII Access Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the RQFII Custodian. The RQFII Access Fund may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the relevant RQFII Access Fund will lose some or all of its cash.

Counterparty Risk to PRC broker(s)

The RQFII selects brokers in the PRC ("PRC Broker(s)") to execute transactions for the relevant RQFII Access Fund in markets in the PRC. There is a possibility that the RQFII may only appoint one PRC Broker for each of the Shenzhen Stock Exchange and the SSE, which may be the same broker. While up to three PRC Brokers can be appointed for each of the Shenzhen and Shanghai stock exchanges, as a matter of practice, it is likely that that only one PRC Broker will be appointed in respect of each stock exchange in the PRC as a result of the requirement in the PRC that securities are sold through the same PRC Broker through which they were originally purchased.

If, for any reason, the RQFII is unable to use the relevant broker in the PRC, the operation of the relevant RQFII Access Fund may be adversely affected. The RQFII Access Fund may also incur losses due to the acts or omissions of any of the PRC Broker(s) in the execution or settlement of any transaction or in the transfer of any funds or securities.

If a single PRC Broker is appointed, the relevant RQFII Access Fund may not pay the lowest commission available in the market. However, the RQFII shall, in the selection of PRC

Brokers, have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards.

There is a risk that the relevant RQFII Access Fund may suffer losses from the default, insolvency or disqualification of a PRC Broker. In such event, the relevant RQFII Access Fund may be adversely affected in the execution of transactions through such PRC Broker. As a result, the Net Asset Value of the relevant RQFII Access Fund may also be adversely affected. To mitigate the Company's exposure to the PRC Broker(s), the RQFII employs specific procedures to ensure that each PRC Broker selected is a reputable institution and that the credit risk is acceptable to the Company.

Remittance and Repatriation of Renminbi

Repatriations of Renminbi by RQFIIs are currently permitted once a day and are not subject to repatriation restrictions, any lock-up period or prior regulatory approval; although there are restrictions on the movement of onshore Renminbi offshore and authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the RQFII Custodian. However, there is no assurance that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Further, such changes to the PRC rules and regulations may be applied retroactively. Any restrictions on repatriation imposed in respect of the relevant RQFII Access Fund's cash may have an adverse effect on the RQFII Access Fund's ability to meet redemption requests.

Furthermore, as the RQFII Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the RQFII Custodian in case of non-compliance with the RQFII rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholder as soon as practicable and after the completion of the repatriation of funds concerned. The actual time required for the completion of the relevant repatriation will be beyond the RQFII's control.

Taxation Risks

The PRC tax authorities announced on 14 November 2014 that gains derived from China A Shares by RQFII investors would be temporarily exempted from PRC taxation effective from 17 November 2014. This temporary exemption applies to China A Shares generally, including shares in PRC 'land-rich' companies, however, please note that the temporary exemption does not apply to China onshore bonds. The duration of the period of temporary exemption has not been stated and is subject to termination by the PRC tax authorities with or without notice and, in the worst case, retrospectively. In addition the PRC tax authorities may implement other tax rules with retrospective effect which may adversely affect the relevant Funds. If the temporary exemption is withdrawn the relevant RQFII Access Fund via the RQFII would be subject to PRC taxation in respect of gains on China A Shares and the resultant tax liability would eventually be borne by investors. However, this liability may be mitigated under the terms of an applicable tax treaty, and if so, such benefits will also be passed to investors.

As set out above the temporary exemption from PRC taxation does not, subject to further clarification by the PRC tax authorities, extend to gains derived from China onshore bonds. A RQFII Access Fund and thus its investors, therefore, may be subject to PRC taxation in respect of such gains. However, this liability may be mitigated under the terms of an applicable tax treaty, and any benefits to the relevant RQFII Access Fund will be passed to shareholders.

The China/Luxembourg tax treaty provides for exemption from PRC capital gains taxation on sales of China A Shares/China onshore bonds except for China A Shares issued by 'land-rich' companies. The relevant RQFII Access Fund is expected to be eligible for the China/Luxembourg tax treaty. Consequently the relevant RQFII Access Fund is expected to be able to obtain exemption from PRC capital gains taxation on the sale of China A Shares/China onshore bonds except for China A Shares issued by 'land-rich' companies. However, it should be noted that the tax treaty position for the RQFII Access Funds remains untested in practice. There remains a risk, therefore, that the PRC tax authorities may clarify the in-scope taxation gains arising from China onshore bonds, consider the relevant RQFII Access Fund not to be eligible for the China/Luxembourg tax treaty, and seek to tax capital gains accordingly.

There is also a risk that the PRC tax authorities could characterize gains on Chinese onshore bonds as interest for PRC tax purposes. Such interest might not be eligible for exemption from PRC taxation under the China/Luxembourg tax treaty.

Specific Risks Applicable to investing via the Stock Connect

Please refer to the section entitled "Stock Connect" in the "Investment Objectives and Policies" section for an overview of the Stock Connect.

The following Funds (as at the date of this Prospectus) may invest in China A Shares on the SSE via the Stock Connect: Asian Dragon Fund, Asian Growth Leaders Fund, Asian Multi-Asset Growth Fund, ASEAN Leaders Fund, Asia Pacific Equity Income Fund, China Fund, Emerging Markets Fund, Emerging Markets Equity Income Fund, Global Allocation Fund, Global Dynamic Equity Fund, Global Multi-Asset Income Fund, Global Opportunities Fund, Global SmallCap Fund, Pacific Equity Fund, World Financials Fund and World Healthscience Fund.

From 18 December 2015 the following Funds may invest in China A Shares on the SSE via the Stock Connect: Flexible Multi-Asset Fund, Global Enhanced Equity Yield Fund, Natural Resources Growth & Income Fund, New Energy Fund, World Agriculture Fund, World Energy Fund, World Gold Fund, World Mining Fund, World Real Estate Securities Fund and World Technology Fund. Similarly, with effect from 1 August 2016, the Global Long-Horizon Equity Fund and Global Equity Income Fund may also invest in China A Shares via Stock Connect (collectively the "**Stock Connect Funds**").

In addition to risks regarding "Investments in the PRC" and other risks applicable to the Stock Connect Funds the following additional risks apply:

Quota Limitations

The Stock Connect is subject to quota limitations, further details of which are set out in the "Investment Objectives and Policies" section below. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Stock Connect Fund's ability to invest in China A Shares through the Stock Connect on a timely basis, and the relevant Stock Connect Fund may not be able to effectively pursue its investment strategy.

Legal / Beneficial Ownership

The SSE shares in respect of the Stock Connect Funds are held by the Depositary / sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by the Hong Kong Securities Clearing Company Limited ("HKSCC") as central securities depositary in Hong Kong. HKSCC in turn holds the SSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear. The precise nature and rights of the Stock Connect Funds as the beneficial owners of the SSE 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 SSE 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 ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE Shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Stock Connect Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Suspension Risk

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

Differences in Trading Day

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

Regulatory Risk

The 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 affect the investment portfolio or strategies of the relevant Stock Connect Funds, for example, if the Investment Adviser wishes to purchase a stock which is recalled from the scope of eligible stocks.

No Protection by Investor Compensation Fund
Investment in SSE Shares via the Stock Connect is conducted through brokers, and is subject to the risks 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 SSE Shares via Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Stock Connect Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connect.

Duration Hedging

Duration Hedged Share Classes require the use of derivatives which do not benefit the Fund as a whole. There is a risk that any adverse impact regarding the use of such derivatives may, in exceptional circumstances, affect the portfolio as a whole and by default all shareholders of the relevant Fund.

Duration Hedged Share Classes may be made available in Funds and currencies at the Directors' discretion. Confirmation of the Funds and currencies in which the Duration Hedged Share Classes are available can be obtained from the registered office of the Company and from the local Investor Servicing team. As at the date of this Prospectus, there are no Duration Hedged Share Classes available in any of the Funds. Please contact the local Investor Servicing team for more details.

Duration is a measurement of the sensitivity of the price of a fixed income investment to a change in interest rates. Duration risk (also known as interest rate risk) is the risk that an investment's value will change due to changes in the level of interest rates. When interest rates rise, bond prices generally fall.

Duration Hedged Share Classes seek primarily to reduce the interest rate risk of the relevant Fund's portfolio and thereby minimise the impact of rising interest rates on returns attributable to that Share Class. Please refer to the "Duration Hedged Share Classes" section in the "Investment Objectives and Policies" which describes Duration Hedged Share Classes in more detail.

Typically bonds are exposed to interest rate risk and credit risk. In the event of a significant change in interest rates it is likely that credit spreads will change as a result. Please note that the duration hedging strategy used for the Duration Hedged Share Classes does not protect against credit risks that are caused by interest rate changes, it simply seeks to minimise the direct impact of rising interest rates on bond prices.

While a Fund or its authorised agent may attempt to hedge duration risk there can be no guarantee that it will be successful in doing so and it may not be possible to hedge fully against interest rate movements. Accordingly, investors should be aware that Duration Hedged Share Classes may still retain duration risk which could impact the value of their holdings.

The Fund may use various techniques and instruments, such as interest rate futures and interest rate swaps in accordance with Appendix A, to seek to hedge the portfolio against interest rate movements. The use of derivatives may expose the relevant Fund to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Funds trade, the risk of settlement default, lack of liquidity of the derivatives and greater transaction costs. In addition derivative transactions generally require the use of portfolio assets to fund margin or settlement obligations. In this regard, shareholders in Funds that offer Duration Hedged Share Classes should note that notwithstanding that the Fund may use particular derivatives regarding the Duration Hedged Share Classes which do not benefit the Fund as a whole, there is a risk that any adverse impact regarding the use of such derivatives may, in exceptional circumstances, affect the portfolio as a whole and by default all shareholders not just shareholders of the Duration Hedged Share Classes. This could occur, for example, if the Investment Adviser was required to liquidate portfolio assets in order to meet payment obligations regarding the use of derivatives for the Duration Hedged Share Classes and such transactions had an adverse impact on the portfolio as a whole. Please refer to the section entitled "Derivatives – General" which sets out the risks associated with investing in derivatives.

Duration Hedged Share Classes primarily seek to reduce duration risk by hedging the duration risk associated with the underlying reference benchmark of the Fund rather than the duration risk of the portfolio itself. In this regard, the Duration Hedged Share Classes may still have a degree of duration risk. For example, if the Fund's portfolio has a duration of 5.5 years and the benchmark has duration of 5 years, the resultant duration for the Duration Hedged Share Classes will be 0.5 years (portfolio duration 5.5 years minus benchmark duration 5 years).

Notwithstanding that the Duration Hedged Share Classes primarily seek to reduce the duration risk of the Share Class, these Classes could from time to time result in a higher level of risk than other Classes. This scenario may occur where the Duration Hedged Share Class exhibits negative duration, given that the Investment Adviser has the flexibility to structure the relevant Fund's portfolio within duration bands, measured in years of duration, either side of the benchmark. For example, if a Fund has a duration band of plus or minus 2 years relative to the benchmark and the Fund's benchmark has a duration of 3 years, if the portfolio is being managed using the maximum level of discretion to create duration below that of the benchmark, then the Fund's portfolio will have a duration of 1 year (benchmark duration 3 years minus the 2 years target underweight duration). As a result, the duration of the Hedged Share Classes would therefore be minus 2 years (portfolio duration 1 year minus the benchmark duration 3 years). If the Duration Hedged Share Classes do exhibit a negative duration, they would move to a degree in relation to the move in interest rates, although in the opposite direction to the relevant Fund. Therefore, if a Duration Hedged Share Class has a negative duration and interest rates fall, the price of the Share Class will also fall, resulting in a more negative outcome than if the Share Class was not hedged.

The duration hedging strategy may be entered into whether interest rates are rising or falling and may substantially protect shareholders in the Duration Hedged Share Classes against a rise in interest rates but it may also preclude such shareholders from benefiting from falling interest rates. In this regard investors should only invest in Duration Hedged Share Classes if they are willing to forego potential gains from falling interest rates.

It is the Directors' intention that all gains/losses or expenses arising from duration hedging transactions are borne separately by the shareholders of the respective Duration Hedged Share Classes. However, as described above, there is a risk that any adverse impact regarding the use of derivatives may, in exceptional circumstances, affect the portfolio as a whole and its shareholders.

Given that there is no segregation of liabilities between Share Classes, there is a risk that, under certain circumstances, duration hedging transactions in relation to a Duration Hedged Share Class could result in liabilities which might affect the Net Asset Value of the other Share Classes of the same Fund.

Investment Objectives and Policies

Investors must read the Specific Risk Considerations section above before investing in any of the following Funds. There can be no assurance that the objectives of each Fund will be achieved.

General

Each Fund is managed separately and in accordance with the investment and borrowing restrictions specified in Appendix A.

The specific investment objectives and policies of each Fund will be formulated by the Directors at the time of the creation of the Fund. Each Fund's investments will be in accordance with the permitted investments which are described in more detail in Appendix A.

The Funds may employ investment management techniques, including the use of financial derivative instruments and certain currency strategies not only for the purpose of hedging or risk management but also in order to increase total return. The Funds may use derivatives for investments purposes, hedging or efficient portfolio management in accordance with their respective investment objective and policies. The Funds will use derivatives for efficient portfolio management and hedging only unless otherwise specified in their respective investment objective and policies.

Derivative investments may include futures, options, contracts for differences, forward contracts on financial instruments and options on such contracts, mortgage TBAs and swap contracts (including credit default swaps and total return swaps) by private agreement and other fixed interest, equity and credit derivatives. The Funds may also invest in units in collective investment undertakings and in other transferable securities. For the purpose of these investment objectives and policies all references to "transferable securities" shall include "money market instruments and both fixed and floating rate instruments".

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

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

- Where an individual investment policy of a Fund refers to 70% of its total assets being invested in a specific type or range of investments, the remaining 30% of the total assets may be invested in financial instruments of companies or issuers of any size in any sector of the economy globally, unless the individual investment policy of such Fund contains further restrictions. However, in the case of a Bond Fund, no more than 10% of its total assets will be invested in equities.

Investment in non-investment grade sovereign debt

- As set out in their investment policies, some of the Funds may invest in a broad range of securities, including fixed income transferable securities, also known as debt securities, issued by governments and agencies worldwide. These Funds may seek to achieve capital appreciation and/or income from the portfolio of assets which the Funds hold. From time to time, in order to achieve these objectives, these Funds may invest more than 10% of their Net Asset Value in non-investment grade debt securities issued by governments and agencies of any single country.

  Non-investment grade, also known as "high-yield", debt may carry a greater risk of default than higher rated debt securities. In addition, non-investment grade securities tend to be more volatile than higher rated debt securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated debt securities. Further, an issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, for example, an economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity.

  Where Funds invest more than 10% of their Net Asset Value in debt securities issued by governments or agencies of any single country, they may be more adversely affected by the performance of those securities and will be more susceptible to any single economic, market, political or regulatory occurrence affecting that particular country or region.

For further information on the risks associated with Funds which may invest in emerging markets, sovereign debt, high yield securities, bonds and any other risks, investors should refer to the "General Risks" and "Specific Risks" sections of this Prospectus.

It is anticipated that the following Funds, as set out in the table below, may invest more than 10% of their Net Asset Value in debt securities issued and/or guaranteed by governments in each of the relevant countries listed below which, at the date of this Prospectus, are rated non-investment grade. Investors should note that whilst this table sets out the expected maximum exposure to these countries, these figures are not indicative of the Funds' current holdings in these countries which may fluctuate.

Emerging Markets Bond Fund

The objective of the Fund is to gain exposure to debt securities issued by governments, public or local authorities of emerging market countries which, by their nature, are more likely to be rated non-investment grade than developed market countries.

Applicable to: Brazil, Turkey, Ukraine, and Venezuela only

The Fund may invest more than 10% (but no more than 20%) of its Net Asset Value in debt securities issued by and/or guaranteed by governments in each of the above countries, which are, as at the date of this Prospectus, rated non-investment grade.

Due to market movements, as well as credit/investment rating changes, the exposures may change over time. The above countries are for reference only and may change without prior notice to the investors.

Applicable to: Brazil, Turkey, and Venezuela only

As at the date of this Prospectus, the government bond markets of the above countries each account for a significant weight of the emerging market bond universe within the Fund's benchmark, the JP Morgan Emerging Markets Bond Index Global Diversified Index. Although this Fund is not an index-tracking fund, the investment manager will take into account the constituent weighting of the benchmark when making investment decisions, and hence may invest more than 10% of the Fund's Net Asset Value in each of these countries.

Applicable to: Ukraine

The investment manager may deem that it is in the interests of investors to hold more than 10% in debt securities issued by the Ukraine government should the economics of the Ukrainian bond market prove compelling, for example, due to increased expected demand for Ukraine government bonds as a result of positive re-ratings.

Emerging Markets Local Currency Bond Fund

The objective of the Fund is to gain exposure to debt securities issued by governments, public or local authorities of emerging market countries which, by their nature, are more likely to be rated non-investment grade than developed market countries.

Applicable to: Brazil, Hungary and Turkey only

The Fund is expected to invest more than 10% (but no more than 20%) of its Net Asset Value in debt securities issued by and/or guaranteed by governments in each of the above countries, which are, as at the date of this Prospectus, rated non-investment grade.

Due to market movements, as well as credit/investment rating changes, the exposure may change over time. The above countries are for reference only and may change without prior notice to the investors.

As at the date of this Prospectus, the government bond markets of the above countries each account for a significant weight of the emerging market bond universe within the Fund's benchmark, the JP Morgan GBI-EM Global Diversified Index. Although this Fund is not an index-tracking fund, the investment manager will take into account the constituent weighting of the benchmark when making investment decisions, and hence may invest more than 10% of the Fund's Net Asset Value in each of these countries.

It is not anticipated that any of the Funds, other than those set out in the table above, will invest more than 10% of their Net Asset Value in debt securities issued and/or guaranteed by governments of any single country which are rated non-investment grade at the date of this Prospectus.

In the event that the debt securities issued and/or guaranteed by governments of a country which any of the Funds invest in are downgraded to non-investment grade following the date of this Prospectus, the relevant Fund may, subject to its investment objective and policy, invest more than 10% of its Net Asset Value in those securities and the table set out above will be updated accordingly in the next update to the Prospectus.

- The term "total assets" does not include ancillary liquid assets.
- Where an investment policy requires a particular percentage to be invested in a specific type or range of investments, such requirement will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issuance, switching or redemption of Shares. In particular, in aiming to achieve a Fund's investment objective, investment may be made into other transferable securities than those in which the Fund is normally invested in order to mitigate the Fund's exposure to market risk.
- Funds may hold cash and near-cash instruments on an incidental basis unless otherwise stated in the investment objective of the Fund.
- Funds may use derivative instruments (including those on foreign exchange) as provided for in Appendix A.
- Where a Fund invests in derivatives, cover for such derivative positions are held in cash or other liquid assets.
- Unless specifically stated to the contrary, the currency exposure of the Equity Funds will normally be left unhedged. Elsewhere if a Fund's investment objective states that "currency exposure is flexibly managed", this means that the Investment Adviser may be expected to regularly employ currency management and hedging techniques in the Fund. Techniques used may include hedging the currency exposure on a Fund's portfolio or/and using more active currency management techniques such as currency overlays, but does not mean that a Fund's portfolio will always be hedged in whole or in part.
- The term "ASEAN" refers to The Association of Southeast Asian Nations which was established on 8 August 1967 in Bangkok, Thailand, with the signing of the ASEAN Declaration (Bangkok Declaration). At the date of this Prospectus, the members of ASEAN are Brunei Darussalam,

Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

- Where the term “Asia Pacific” is used, it refers to the region comprising the countries in the Asian continent and surrounding Pacific islands including Australia and New Zealand.

- Where the term “Asian Tiger countries” is used, it refers to any of the following countries, regions or territories: South Korea, the PRC, Taiwan, Hong Kong, the Philippines, Thailand, Malaysia, Singapore, Vietnam, Cambodia, Laos, Myanmar, Indonesia, Macau, India and Pakistan.

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

- The “weighted average maturity”, or WAM, of a fund, is a measure of the average length of time to maturity (the date at which fixed income securities become due for repayment) of the fund’s portfolio, weighted to reflect the relative size of the holdings in each instrument. In practice, this measure is an indication of current investment strategy and is not an indication of liquidity.

- A reference to the “EMU” means the Economic and Monetary Union of the European Union.

- A reference to the equity securities of companies domiciled in those EU member states participating in EMU may, at the Investment Adviser’s discretion, be taken to include the equity securities of companies domiciled in countries which formerly participated in EMU.

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

- Where the term “Mediterranean region” is used, it refers to countries bordering the Mediterranean Sea.

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

- For the purpose of these investment objectives and policies all references to “transferable securities” shall include “money market instruments and both fixed and floating rate instruments”.

- Where the term “Renminbi” is used, it refers to investments via the offshore Renminbi market (CNH), except where investments are made via the RQFII Quota (i.e. the onshore Renminbi market (CNY)).

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

- Funds which include “Equity Income” or “Enhanced Equity Income” or “Multi-Asset Income” in their title or investment objective and policy seek either to out-perform in terms of income (from equity dividends, and/or fixed income securities and/or other asset classes as appropriate) their eligible investment universe or to generate a high level of income. The opportunity for capital appreciation within such Funds may be lower than other Funds of the Company – see “Risks to Capital Growth”.

- Where the term “real return” is used, it means the nominal return less the level of inflation, which is typically measured by the change in an official measure of the level of prices in the relevant economy.

- The term “investment grade” defines debt securities which are rated, at the time of purchase, BBB- (Standard and Poor’s or equivalent rating) or better by at least one recognised rating agency, or, in the opinion of the Management Company, are of comparable quality.

- The terms “non-investment grade” or “high yield” define debt securities which are unrated or rated, at the time of purchase, BB+ (Standard and Poor’s or equivalent rating) or lower by at least one recognised rating agency or, in the opinion of the Management Company, are of comparable quality.

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

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

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

- Where the term “transferable securities denominated in Euro” is used it refers to transferable securities which were denominated in Euro at the time of their issue and may also, at the Investment Adviser's discretion, be taken to include transferable securities denominated in the currencies of any countries that have previously formed part of the Eurozone.

RQFII Investments
Under current PRC law, subject to minor exceptions, investors based in certain jurisdictions outside the PRC may apply to the CSRC for status as a RQFII. Once an entity is licensed as a RQFII, it may be allocated a certain amount of RQFII Quota by SAFE, which it may use to invest directly in eligible PRC securities. No direct investment in eligible PRC securities may take place without an allocation of RQFII Quota. BAMNA has been licensed as a RQFII and may use its RQFII Quota as and when it is allocated in respect of the RQFII Access Funds. There may be additional BlackRock entities licensed as RQFII's from time to time which may also use RQFII Quota in respect of the RQFII Access Funds.

The RQFII may from time to time make available RQFII Quota for the purpose of the relevant RQFII Access Fund's direct investment into the PRC. Under the SAFE's RQFII quota administration policy, the RQFII has the flexibility to allocate RQFII Quota across different open-ended fund products, or, subject to SAFE's approval, to products and/or accounts that are not open-ended funds. Where available, the RQFII may therefore allocate additional RQFII Quota to the relevant RQFII Access Funds, or allocate RQFII Quota to other products and/or accounts. The RQFII may also apply to SAFE for an increase of the RQFII Quota which may be utilised by the relevant RQFII Access Funds or other products managed by the RQFII.

As of the date of the Prospectus, the RQFII Quota is not available for use by the RQFII Access Funds. Once the RQFII Quota has been allocated to the RQFII Access Funds, the Management Company will obtain an opinion from PRC legal counsel ("PRC Legal Opinion") before the RQFII Access Funds utilise such RQFII Quota. The Management Company will ensure that the PRC Legal Opinion will, in respect of each of the RQFII Access Funds, contain the following as a matter of PRC laws:

1. securities account(s) opened with the relevant depositories and maintained by the RQFII Custodian and the Renminbi special deposit account(s) with the RQFII Custodian (respectively, the "RQFII securities account(s)" and the "Renminbi cash account(s)") have been opened in the joint names of the RQFII and the relevant RQFII Access Fund for the sole benefit and use of the RQFII Access Fund in accordance all applicable laws and regulations of the PRC and with approval from all competent authorities in the PRC;

2. the assets held/credited in the RQFII securities account(s) of the relevant RQFII Access Fund (i) belong solely to the RQFII Access Fund, and (ii) are segregated and independent from the proprietary assets of the RQFII (as the RQFII Licence Holder), the Depositary or the RQFII Custodian and any PRC Broker(s), and from the assets of other clients of the RQFII (as RQFII Licence Holder), the Depositary, the RQFII Custodian and any PRC Broker(s);

3. the assets held/credited in the Renminbi cash account(s) (i) become an unsecured debt owing from the RQFII Custodian to the relevant RQFII Access Fund, and (ii) are segregated and independent from the proprietary assets of the RQFII (as RQFII Licence Holder) and any PRC Broker(s), and from the assets of other clients of the RQFII (as RQFII Licence Holder) and any PRC Broker(s);

4. the Company, for and on behalf of the relevant RQFII Access Fund, is the only entity which has a valid claim of ownership over the assets in the RQFII securities account(s) and the debt in the amount deposited in the Renminbi cash account(s) of the RQFII Access Fund;

5. if the RQFII or any PRC Broker(s) is liquidated, the assets contained in the RQFII securities account(s) and Renminbi cash account(s) of the relevant RQFII Access Fund will not form part of the liquidation assets of the RQFII or such PRC Broker(s) in liquidation in the PRC; and

6. if the RQFII Custodian is liquidated, (i) the assets contained in the RQFII securities account(s) of the relevant RQFII Access Fund will not form part of the liquidation assets of the RQFII Custodian in liquidation in the PRC, and (ii) the assets contained in the Renminbi cash account(s) of the relevant RQFII Access Fund will form part of the liquidation assets of the RQFII Custodian in liquidation in the PRC and the RQFII Access Fund will become an unsecured creditor for the amount deposited in the Renminbi cash account(s).

RQFII Custodian
The Depositary has appointed the RQFII Custodian to act as its sub-custodian for the purpose of safekeeping the investments of its customers in certain agreed markets, including the PRC (the "Global Custody Network") through a sub-custody agreement.

Notwithstanding that the Depositary has, pursuant to its obligations as a UCITS custodian, established the Global Custody Network for the purpose of safe-keeping the assets of its clients, including the Company, held in the PRC (as described above), RQFII rules separately require that every RQFII must appoint a local RQFII custodian for the purposes of safe-keeping the investments and holding the cash in connection with the RQFII Quota and for the purpose of coordinating relevant foreign exchange requirements. Therefore, in order to satisfy the requirements of the RQFII rules, the relevant RQFII will enter into a separate agreement (the "RQFII Custodian Agreement") with the RQFII Custodian appointing it to act as the local custodian of the relevant RQFII Access Fund's assets acquired through the RQFII Quota.

In accordance with the UCITS requirements, the Depositary has additionally confirmed that it shall provide for the safekeeping of the Fund's assets in PRC through its Global Custody Network, and that such safekeeping is in accordance with the conditions set down by the CSSF which provides that there must be legal separation of non-cash assets held under custody and that the Custodian through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

The Stock Connect
The Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("HKEX"), SSE and ChinaClear 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.

Under the Stock Connect, the Stock Connect Funds, through their Hong Kong brokers may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert board".

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Stock Connect will initially be subject to a maximum cross-boundary investment quota ("Aggregate Quota"), together with a daily quota ("Daily Quota"). Northbound trading and Southbound trading will be subject to a separate set of Aggregate and Daily Quota. The Northbound Aggregate Quota caps the absolute amount of fund inflow into the PRC. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

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

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

In addition to paying trading fees, levies and stamp duties in connection with trading in China A Shares, the Stock Connect Funds may be subject to new fees arising from trading of China A Shares via the Stock Connect which are yet to be determined and announced by the relevant authorities.

In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of the Fund's assets in the PRC through its Global Custody Network. Such safekeeping is in accordance with the conditions set down by the CSSF which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

Investment Thresholds for RQFII Access Funds and Stock Connect Funds
The RQFII Access Funds and Stock Connect Funds (set out on pages 29 and 31 respectively) may invest no more than 10% of the relevant Fund's total assets in the PRC via the RQFII Quota and Stock Connect as applicable. For the avoidance of doubt, the Funds that have flexibility to use both RQFII and Stock Connect may invest no more than 10% of the relevant Fund's total assets in the PRC via RQFII Quota and Stock Connect in aggregate.

The only exceptions are: (i) the Renminbi Bond Fund which may invest without limit in the PRC via the RQFII Quota; and (ii) the Asian Growth Leaders Fund which may invest up to 30% of its total assets in the PRC via the Stock Connect and RQFII Quota from 18 December 2015.

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

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

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

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

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

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

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

Leverage
A fund's level of investment exposure (for an equity fund, when combined with its instruments and cash) can in aggregate exceed its net asset value due to the use of financial derivative instruments or borrowing (borrowing is only permitted in limited circumstances and not for investment purposes). Where a fund's investment exposure exceeds its net asset value this is known as leverage. The regulations require that the Prospectus includes information relating to the expected levels of leverage in a fund where VaR is being used to measure global exposure. The expected level of leverage of each of the Funds is set out below and expressed as a percentage of its Net Asset Value. The Funds may have higher levels of leverage in atypical or volatile market conditions for example when there are sudden movements in investment prices due to difficult economic conditions in a sector or region. In such circumstances the relevant Investment Adviser may increase its use of derivatives in a Fund in order to reduce the market risk which that Fund is exposed to, this in turn would have the effect of increasing its levels of leverage. For the purposes of this disclosure, leverage is the investment exposure gained through the use of financial derivative instruments. It is calculated using the sum of the notional values of all of the financial derivative instruments held by the relevant Fund, without netting. The expected level of leverage is not a limit and may vary over time.

The ***ASEAN Leaders Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, current or past member countries of the ASEAN economic organisation.

Risk management measure used: Commitment Approach.

The ***Asia Pacific Equity Income Fund*** seeks an above average income from its equity investments without sacrificing long term capital growth. The Fund invests at least 70% of its total assets in equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, the Asia Pacific region excluding Japan. This Fund distributes income gross of expenses.

Risk management measure used: Commitment Approach.

The ***Asian Dragon Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, Asia, excluding Japan.

Risk management measure used: Commitment Approach.

The ***Asian Growth Leaders Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their activity in Asia, excluding Japan. The Fund may invest up to 30% of its total assets in the PRC via the Stock Connect and RQFII Quota from 18 December 2015. The Fund places particular emphasis on sectors and companies that, in the opinion of the Investment Adviser, exhibit growth investment characteristics, such as above-average growth rates in earnings or sales and high or improving returns on capital.

Risk management measure used: Commitment Approach.

The ***Asian Local Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the local currency-denominated fixed income transferable securities issued by governments and agencies of, and companies domiciled or exercising the predominant part of their economic activity in, Asia, excluding Japan. The full spectrum of available securities, including non-investment grade, may be utilised. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using Markit iBoxx ALBI Index as the appropriate benchmark.

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

The ***Asian Multi-Asset Growth Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in fixed income transferable securities and equity securities of issuers and companies domiciled in, or exercising the predominant part of their economic activity in, Asia, excluding Japan. The Fund invests in the full spectrum of permitted investments including equities (which may include minimal exposure to Distressed Securities), equity-related securities, fixed income transferable securities (including non-investment grade), derivatives, units of undertakings for collective investment, cash, deposits and money market instruments. The Fund has a flexible approach to asset allocation. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using 50% MSCI Asia ex Japan Index / 25% JP Morgan Asia Credit Index / 25% Markit iBoxx ALBI Index as the appropriate benchmark.

Expected level of leverage of the Fund: 300% of Net Asset Value.

The ***Asian Tiger Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the fixed income transferable securities of issuers domiciled in, or exercising the predominant part of their economic activity in, Asian Tiger countries. The Fund may invest in the full spectrum of available securities, including non-investment grade. The currency exposure of the Fund is flexibly managed.

Risk management measure used: Relative VaR using JP Morgan Asian Credit Index as the appropriate benchmark.

Expected level of leverage of the Fund: 150% of Net Asset Value.

The ***China Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, the People's Republic of China.

Risk management measure used: Commitment Approach.

The ***Continental European Flexible Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in Europe excluding the UK. The Fund normally invests in securities that, in the opinion of the Investment Adviser, exhibit either growth or value investment characteristics, placing an emphasis as the market outlook warrants.

Risk management measure used: Commitment Approach.

The ***Emerging Europe Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, emerging European countries. It may also invest in companies domiciled in and around, or exercising the predominant part of their economic activity in and around, the Mediterranean region.

Risk management measure used: Commitment Approach.

The ***Emerging Markets Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the fixed income transferable securities of governments and agencies of, and companies domiciled or exercising the predominant part of their economic activity in, emerging markets. The Fund may invest in the full spectrum of available securities, including non-investment grade. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using JP Morgan Emerging Markets Bond Index Global Diversified Index as the appropriate benchmark.

Expected level of leverage of the Fund: 150% of Net Asset Value

The ***Emerging Markets Corporate Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of total assets in fixed income transferable securities issued by companies domiciled in, or exercising the predominant part of their economic activity in, emerging markets. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using JPMorgan Corporate Emerging Markets Bond Index Broad Diversified as the appropriate benchmark.

Expected level of leverage of the Fund: 250% of Net Asset Value.

The ***Emerging Markets Equity Income Fund*** seeks an above average income from its equity investments without sacrificing long term capital growth. The Fund invests globally at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, emerging markets. Investment may also be made in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, developed markets that have significant business operations in emerging markets. This Fund distributes income gross of expenses.

Risk management measure used: Commitment Approach.

The ***Emerging Markets Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, emerging markets. Investment may also be made in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, developed markets that have significant business operations in emerging markets.

Risk management measure used: Commitment Approach.

The ***Emerging Markets Local Currency Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in local currency-denominated fixed income transferable securities issued by governments and agencies of, and companies domiciled or exercising the predominant part of their economic activity in, emerging markets. The full spectrum of available securities, including non-investment grade, may be utilised. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using JP Morgan GBI-EM Global Diversified Index as the appropriate benchmark.

Expected level of leverage of the Fund: 480% of Net Asset Value.

The ***Euro Bond Fund*** seeks to maximise total return. The Fund invests at least 80% of its total assets in investment grade fixed income transferable securities. At least 70% of total assets will be invested in fixed income transferable securities denominated in euro. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using Barclays Euro-Aggregate 500mm+ Bond Index as the appropriate benchmark.

Expected level of leverage of the Fund: 120% of Net Asset Value.

The ***Euro Corporate Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in investment grade corporate fixed income transferable securities denominated in euro. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using BofA Merrill Lynch Euro Corporate Index as the appropriate benchmark.

Expected level of leverage of the Fund: 100% of Net Asset Value.

The ***Euro Reserve Fund*** seeks to maximise current income consistent with preservation of capital and liquidity. The Fund invests at least 90% of its total assets in investment grade fixed income transferable securities denominated in Euro and Euro cash. The weighted average maturity of the Fund's assets will be 60 days or less.

Risk management measure used: Commitment Approach.

The ***Euro Short Duration Bond Fund*** seeks to maximise total return. The Fund invests at least 80% of its total assets in investment grade fixed income transferable securities. At least 70% of total assets will be invested in fixed income transferable securities denominated in Euro with a duration of less than five years. The average duration is not more than three years. Currency exposure is flexibly managed.

Risk management measure used: Absolute VAR.

Expected level of leverage of the Fund: 120% of Net Asset Value.

The ***Euro-Markets Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in those EU Member States participating in EMU. Other exposure may include, without limitation, investments in those EU Member States that, in the opinion of the Investment Adviser, are likely to join EMU in the foreseeable future and companies based elsewhere that exercise the predominant part of their economic activity in EMU-participating countries.

Risk management measure used: Commitment Approach.

The ***European Equity Income Fund*** seeks an above average income from its equity investments without sacrificing long term capital growth. The Fund invests at least 70% of its total assets in equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, Europe. This Fund distributes income gross of expenses.

Risk management measure used: Commitment Approach.

The ***European Focus Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in a concentrated portfolio of equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, Europe.

Risk management measure used: Commitment Approach.

The ***European Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, Europe.

Risk management measure used: Commitment Approach.

The ***European High Yield Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in high yield fixed income transferable securities, denominated in various currencies, issued by governments and agencies of, and companies domiciled in, or exercising the predominant part of their economic activity in Europe. The Fund may invest in the full spectrum of available fixed income transferable securities, including non-investment grade. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using Barclays Pan European High Yield 3% Issuer Constrained Index EUR Hedged as the appropriate benchmark.

Expected level of leverage of the Fund: 70 % of Net Asset Value.

The ***European Special Situations Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activities in, Europe.

The Fund places particular emphasis on "special situations" companies that, in the opinion of the Investment Adviser, are companies with potential for improvement that the market has failed to appreciate. Such companies generally take the form of small, mid or large capitalisation companies that are undervalued and exhibit growth investment characteristics, such as above-average growth rates in earnings or sales and high or improving returns on capital. In some cases such companies can also benefit from changes in corporate strategy and business restructuring.

In normal market conditions the Fund invests at least 50% of its total assets in small and mid-capitalisation companies. Small and mid-capitalisation companies are considered companies which, at the time of purchase, form the bottom 30% by market capitalisation of European stock markets.

Risk management measure used: Commitment Approach.

The ***European Value Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, Europe. The Fund places particular emphasis on companies that are, in the opinion of the Investment Adviser, undervalued and therefore represent intrinsic investment value.

Risk management measure used: Commitment Approach.

The ***Fixed Income Global Opportunities Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in fixed income transferable securities denominated in various currencies issued by governments, agencies and companies worldwide. The full spectrum of available securities, including non-investment grade, may be utilised. Currency exposure is flexibly managed.

As part of its investment objective the Fund may invest without limit in ABS and MBS whether investment grade or not. These may include asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations. The underlying assets of the ABS and MBS may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS). The ABS and MBS in which the Fund invests may use leverage to increase return to investors. Certain ABS may be structured by using a derivative such as a credit default swap or a basket of such derivatives to gain exposure to the performance of securities of various issuers without having to invest in the securities directly.

This Fund may have significant exposure to ABS, MBS and non-investment grade debt, and investors are encouraged to read the relevant risk disclosures contained in the section "Specific Risk Considerations".

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 500% of Net Asset Value.

The ***Flexible Multi-Asset Fund*** follows an asset allocation policy that seeks to maximise total return. The Fund invests globally in the full spectrum of permitted investments including equities, fixed income transferable securities (which may include some high yield fixed income transferable securities), units of undertakings for collective investment, cash, deposits and money market instruments. The Fund has a flexible approach to asset allocation (which includes taking indirect exposure to commodities through permitted investments, principally through derivatives on commodity indices and exchange traded funds). The Fund may invest without limitation in securities denominated in currencies other than the reference currency (euro). The currency exposure of the Fund is flexibly managed.

Risk management measure used: Relative VaR using 50% MSCI World Index / 50% Citigroup World Government Bond Euro Hedged Index as the appropriate benchmark.

Expected level of leverage of the Fund: 200% of Net Asset Value.

The ***Global Allocation Fund*** seeks to maximise total return. The Fund invests globally in equity, debt and short term securities, of both corporate and governmental issuers, with no prescribed limits. In normal market conditions the Fund will invest at least 70% of its total assets in the securities of corporate and governmental issuers. The Fund generally will seek to invest in securities that are, in the opinion of the Investment Adviser, undervalued. The Fund may also invest in the equity securities of small and emerging growth companies. The Fund may also invest a portion of its debt portfolio in high yield fixed income transferable securities. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using 36% S&P 500 Index, 24% FTSE World Index (Ex-US), 24% 5Yr US Treasury Note, 16% Citigroup Non-USD World Govt Bond Index as the appropriate benchmark.

Expected level of leverage of the Fund: 140% of Net Asset Value.

The ***Global Corporate Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in investment grade corporate fixed income securities issued by companies worldwide. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using Barclays Global Aggregate Corporate Bond USD Hedged Index as the appropriate benchmark.

Expected level of leverage of the Fund: 140% of Net Asset Value.

The ***Global Dynamic Equity Fund*** seeks to maximise total return. The Fund invests globally, with no prescribed country or regional limits, at least 70% of its total assets in equity securities. The Fund will generally seek to invest in securities that are, in the opinion of the Investment Adviser, undervalued. The Fund may also invest in the equity securities of small and emerging growth companies. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using 60% S&P 500 Index, 40% FTSE World (ex US) Index as the appropriate benchmark.

Expected level of leverage of the Fund: 100% of Net Asset Value.

The ***Global Enhanced Equity Yield Fund*** seeks to generate a high level of income. The Fund invests globally, with no prescribed country or regional limits, at least 70% of its total assets in equity securities. The Fund makes use of derivatives in a way that is fundamental to its investment objective in order to generate additional income. This Fund distributes income gross of expenses.

Risk management measure used: Commitment Approach.

The ***Global Equity Income Fund*** seeks an above average income from its equity investments without sacrificing long term capital growth. The Fund invests globally at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, developed markets. This Fund distributes income gross of expenses. Currency exposure is flexibly managed.

Risk management measure used: Commitment Approach.

The ***Global Government Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in investment grade fixed income transferable securities issued by governments and their agencies worldwide. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using Citigroup World Government Bond USD Hedged Index as the appropriate benchmark.

Expected level of leverage of the Fund: 180% of Net Asset Value.

The ***Global High Yield Bond Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in high yield fixed income transferable securities. The Fund may invest in the full spectrum of available fixed income transferable securities, including non-investment grade. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using BofA Merrill Lynch Global High Yield Constrained USD Hedged Index as the appropriate benchmark.

Expected level of leverage of the Fund: 60% of Net Asset Value.

The ***Global Inflation Linked Bond Fund*** seeks to maximise real return. The Fund invests at least 70% of its total assets in inflation-linked fixed income transferable securities that are issued globally. The Fund may only invest in fixed income transferable securities which are investment grade at the time of purchase. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using Barclays World Government Inflation-Linked Bond Index as the appropriate benchmark

Expected level of leverage of the Fund: 350% of Net Asset Value.

The ***Global Long-Horizon Equity Fund*** seeks to maximise total return. The Fund invests, with no prescribed country or regional limits, at least 70% of its total assets in a concentrated portfolio of global equities. Investment decisions are based on company-specific research to identify and select stocks that, in the opinion of the Investment Adviser, have the potential to produce attractive total returns. The Fund may invest in equity securities that, in the opinion of the Investment Adviser, have a sustainable competitive advantage and will typically be held over a long-term horizon. When choosing equity investments, various factors may be considered, including opportunities for equity investments to increase in value, expected dividends, and interest rates. The Fund may invest in the securities of companies of any market capitalisation. Currency exposure is flexibly managed.

Risk management measure used: Commitment Approach.

The ***Global Multi-Asset Income Fund*** follows a flexible asset allocation policy that seeks an above average income without sacrificing long term capital growth. The Fund invests globally in the full spectrum of permitted investments including equities, equity-related securities, fixed income transferable securities (which may include some high yield fixed income transferable securities), units of undertakings for collective investment, cash, deposits and money market instruments. The Fund makes use of derivatives for the purposes of efficient portfolio management including the generation of additional income for the Fund. This Fund distributes income gross of expenses. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using 50% MSCI World Index / 50% Barclays Global Aggregate Bond Index USD Hedged as the appropriate benchmark.

Expected level of leverage of the Fund: 100% of Net Asset Value.

The ***Global Opportunities Fund*** seeks to maximise total return. The Fund invests globally, with no prescribed country, regional or capitalisation limits, at least 70% of its total assets in equity securities. Currency exposure is flexibly managed.

Risk management measure used: Commitment Approach.

The ***Global SmallCap Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of smaller capitalisation companies. Smaller capitalisation companies are considered companies which, at the time of purchase, form the bottom 20% by market capitalisation of global stock markets. Although it is likely that most of the Fund's investments will be in companies located in developed markets globally, the Fund may also invest in the emerging markets of the world. Currency exposure is flexibly managed.

Risk management measure used: Commitment Approach.

The ***India Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, India. (The Fund may invest through its Subsidiary).

Risk management measure used: Commitment Approach.

The ***Japan Small & MidCap Opportunities Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of small and mid capitalisation companies domiciled in, or exercising the predominant part of their economic activity in, Japan. Small and mid capitalisation companies are considered companies which, at the time of purchase, form the bottom 30% by market capitalisation of Japanese stock markets.

Risk management measure used: Commitment Approach.

The ***Japan Flexible Equity Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in or exercising the predominant part of their economic activity in, Japan. The Fund normally invests in securities that, in the opinion of the Investment Adviser, exhibit either growth or value investment characteristics, placing an emphasis as the market outlook warrants.

Risk management measure used: Commitment Approach.

The ***Latin American Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, Latin America.

Risk management measure used: Commitment Approach.

The ***Natural Resources Growth & Income Fund*** seeks to achieve capital growth and an above average income from its equity investments. The Fund invests at least 70% of its total assets in the equity securities of companies whose predominant economic activity is in the natural resources sector, such as, but not limited to, companies engaged in mining, energy and agriculture. The Fund makes use of derivatives in a way that may be significant to its investment objective in order to generate additional income. The Fund distributes income gross of expenses.

Risk management measure used: Commitment Approach.

The ***New Energy Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of new energy companies. New energy companies are those which are engaged in alternative energy and energy technologies including: renewable energy technology; renewable energy developers; alternative fuels; energy efficiency; enabling energy and infrastructure.

Risk management measure used: Commitment Approach.

The ***North American Equity Income Fund*** seeks an above average income from its equity investments without sacrificing long term capital growth. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, the US and Canada. The Fund distributes income gross of expenses.

Risk management measure used: Commitment Approach.

The ***Pacific Equity Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in the Asia Pacific region. Currency exposure is flexibly managed.

Risk management measure used: Commitment Approach.

The ***Renminbi Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in fixed income transferable securities issued or distributed either inside or outside of the PRC and denominated in Renminbi and Renminbi Cash. The Fund may invest without limit in the PRC via RQFII Quota. The Fund may invest in the full spectrum of available fixed income transferable securities, including non-investment grade. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using Markit iBoxx ALBI China Offshore Index as the appropriate benchmark.

Expected level of leverage of the Fund: 60% of Net Asset Value.

The ***Strategic Global Bond Fund*** seeks to maximise total returns. The Fund invests at least 70% of its total assets in fixed income transferable securities (including non-investment grade) denominated in various currencies issued by governments, agencies and companies worldwide. The Fund may also invest in the full spectrum of permitted investments, including equity securities, equity related securities, derivatives, undertakings for collective investment and cash. Currency exposure is flexibly managed. The Fund may utilise financial derivative instruments for investment purposes, hedging and efficient portfolio management.

The Fund may invest up to 35% of its total assets in ABS and MBS whether investment grade or not. The Fund may invest up to 20% of its total assets in agency MBS and up to 15% in all other types of ABS and MBS such as asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit–linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations. The Fund's investment in collateralised loan obligations is limited to 5% of total assets. The underlying assets of the ABS and MBS may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS). The Fund's exposure to MBS backed by sub-prime mortgages is limited to 5% of total assets. The ABS and MBS in which the Fund invests may use leverage to increase return to investors. Certain ABS may be structured by using a derivative such as a credit default swap or a basket of such derivatives to gain exposure to the performance of securities of various issuers without having to invest in the securities directly.

The Fund's exposure to Distressed Securities is limited to 10% of its total assets and its exposure to contingent convertible bonds is limited to 5% of total assets.

The Fund may have significant exposure to ABS, MBS and non-investment grade debt, and investors are encouraged to read the relevant risk disclosures contained in the section "Specific Risk Considerations".

Risk management measure used: Absolute VaR

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

The ***Swiss Small & MidCap Opportunities Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of small and mid capitalisation companies domiciled in, or exercising the predominant part of their economic activity in, Switzerland. Small and mid capitalisation companies are considered companies which, at the time of purchase, are not members of the Swiss Market Index.

Risk management measure used: Commitment Approach.

The ***United Kingdom Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies incorporated or listed in the UK.

Risk management measure used: Commitment Approach.

The ***US Basic Value Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, the US. The Fund places particular emphasis on companies that are, in the opinion of the Investment Adviser, undervalued and therefore represent basic investment value.

Risk management measure used: Commitment Approach.

The ***US Dollar Core Bond Fund*** seeks to maximise total return. The Fund invests at least 80% of its total assets in investment grade fixed income transferable securities. At least 70% of the Fund's total assets are invested in fixed income transferable securities denominated in US dollars. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using Barclays US Aggregate Index as the appropriate benchmark.

Expected level of leverage of the Fund: 300% of Net Asset Value.

The ***US Dollar High Yield Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in high yield fixed income transferable securities denominated in US dollars. The Fund may invest in the full spectrum of available fixed income transferable securities, including non-investment grade. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using Barclays US High Yield 2% Constrained Index as the appropriate benchmark.

Expected level of leverage of the Fund: 20% of Net Asset Value.

The ***US Dollar Reserve Fund*** seeks to maximise current income consistent with preservation of capital and liquidity. The Fund invests at least 90% of its total assets in investment grade fixed income transferable securities denominated in US dollars and US dollar cash. The weighted average maturity of the Fund's assets will be 60 days or less.

Risk management measure used: Commitment Approach.

The ***US Dollar Short Duration Bond Fund*** seeks to maximise total return. The Fund invests at least 80% of its total assets in investment grade fixed income transferable securities. At least 70% of the Fund's total assets are invested in fixed income transferable securities denominated in US dollars with a duration of less than five years. The average duration is not more than three years. Currency exposure is flexibly managed.

Risk management measure used: Absolute VaR.

Expected level of leverage of the Fund: 350% of Net Asset Value.

The ***US Flexible Equity Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, the US. The Fund normally invests in securities that, in the opinion of the Investment Adviser, exhibit either growth or value investment characteristics, placing an emphasis as the market outlook warrants.

Risk management measure used: Commitment Approach.

The ***US Government Mortgage Fund*** seeks a high level of income. The Fund invests at least 80% of its total assets in fixed income transferable securities issued or guaranteed by the United States Government, its agencies or instrumentalities, including Government National Mortgage Association ("GNMA") mortgage-backed certificates and other US Government securities representing ownership interests in mortgage pools, such as mortgage-backed securities issued by Fannie Mae and Freddie Mac. All securities in which the Fund invests are US dollar-denominated securities.

As part of its investment objective the Fund may invest without limit in ABS and MBS whether investment grade or not. These may include asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations. The underlying assets of the ABS and MBS may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS). The ABS and MBS in which the Fund invests may use leverage to increase return to investors. Certain ABS may be structured by using a derivative such as a credit default swap or a basket of such derivatives to gain exposure to the performance of securities of various issuers without having to invest in the securities directly.

This Fund may have significant exposure to ABS, MBS and non-investment grade debt, and investors are encouraged to read the relevant risk disclosures contained in the section "Specific Risk Considerations".

Risk management measure used: Relative VaR using Citigroup Mortgage Index as the appropriate benchmark.

Expected level of leverage of the Fund: 240% of Net Asset Value.

The ***US Growth Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, the US. The Fund places particular emphasis on companies that, in the opinion of the Investment Adviser, exhibit growth investment characteristics, such as above-average growth rates in earnings or sales and high or improving returns on capital.

Risk management measure used: Commitment Approach.

The ***US Small & MidCap Opportunities Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of small and mid capitalisation companies domiciled in, or exercising the predominant part of their economic activity in, the US. Small and mid capitalisation companies are considered companies which, at the time of purchase, form the bottom 30% by market capitalisation of US stock markets.

Risk management measure used: Commitment Approach.

The ***World Agriculture Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of agricultural companies. Agricultural companies are those which are engaged in agriculture, agricultural chemicals, equipment and infrastructure, agricultural commodities and food, bio-fuels, crop sciences, farm land and forestry.

Risk management measure used: Commitment Approach.

The ***World Bond Fund*** seeks to maximise total return. The Fund invests at least 70% of its total assets in investment grade fixed income transferable securities. Currency exposure is flexibly managed.

Risk management measure used: Relative VaR using Barclays Global Aggregate USD Hedged Index as the appropriate benchmark.

Expected level of leverage of the Fund: 150% of Net Asset Value.

The ***World Energy Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of companies whose predominant economic activity is in the exploration, development, production and distribution of energy.

Risk management measure used: Commitment Approach.

The ***World Financials Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of companies whose predominant economic activity is financial services.

Risk management measure used: Commitment Approach.

The ***World Gold Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of companies whose predominant economic activity is gold-mining. It may also invest in the equity securities of companies whose predominant economic activity is other precious metal or mineral and base metal or mineral mining. The Fund does not hold physical gold or metal.

Risk management measure used: Commitment Approach.

The ***World Healthscience Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of companies whose predominant economic activity is in healthcare, pharmaceuticals, medical technology and supplies and the development of biotechnology. Currency exposure is flexibly managed.

Risk management measure used: Commitment Approach.

The ***World Mining Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of mining and metals companies whose predominant economic activity is the production of base metals and industrial minerals such as iron ore and coal. The Fund may also hold the equity securities of companies whose predominant economic activity is in gold or other precious metal or mineral mining. The Fund does not hold physical gold or metal.

Risk management measure used: Commitment Approach.

The ***World Real Estate Securities Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of companies whose predominant economic activity is in the real estate sector. This may include residential and/or commercial real estate focused companies as well as real estate operating companies and real estate holding companies (for example, real estate investment trusts).

Risk management measure used: Commitment Approach.

The ***World Technology Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of companies whose predominant economic activity is in the technology sector.

Risk management measure used: Commitment Approach.

New Funds or Share Classes

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

Classes and Form of Shares

Shares in the Funds are divided into Class A, Class C, Class D, Class E, Class I, Class J, Class S, Class X and Class Z Shares, representing nine different charging structures. Shares are further divided into Distributing and Non-Distributing Share classes. Non-Distributing Shares do not pay dividends, whereas Distributing Shares pay dividends. See section "Dividends" for further information.

Class A Shares

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

Class C Shares

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

Class D Shares

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

Class E Shares

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

Class I Shares

Class I Shares are available as Distributing and Non-Distributing Shares to Institutional Investors and are issued as registered shares and global certificates. Unless otherwise requested, all

Class I Shares will be issued as registered shares. They are only available at the Management Company's discretion.

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

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

Class J Shares
Class J Shares are initially only offered to fund of funds in Japan and will not be publicly offered in Japan. However, they may be offered to other funds of funds in the future, at the discretion of the Management Company. Class J Shares are available as Distributing and Non-Distributing Shares. No fees are payable in respect of Class J Shares (instead a fee will be paid to the Management Company or affiliates under an agreement). Unless otherwise requested, all Class J Shares will be issued as registered shares.

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

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

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

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

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

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

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

Hedged Share Classes
The hedging strategies applied to Hedged Share Classes will vary on a Fund by Fund basis. Funds will apply a hedging strategy which aims to mitigate currency risk between the Net Asset Value of the Fund and the currency of the Hedged Share Class, while taking account of practical considerations including transaction costs. All gains/losses or expenses arising from hedging transactions are borne separately by the shareholders of the respective Hedged Share Classes.

Duration Hedged Share Classes
Duration is a measurement of the sensitivity of the price of a fixed income investment to a change in interest rates. As a general rule, for every 1% increase or decrease in interest rates of the appropriate term, a bond's price will change approximately 1% in the opposite direction for every year of duration.

Two main risks related to fixed income investing are duration risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the market value of bonds. Credit risk refers to the possibility that the issuer of the bond will not be able to make principal and interest payments. Duration Hedged Share Classes seek to allow investors to reduce the risk of rising interest rates on returns so that they can focus instead on returns from changes associated with credit risk.

When interest rates are low investors may be concerned about the effect on their investment should interest rates rise. Duration Hedged Share Classes seek to primarily reduce the duration risk and thereby minimise the impact of rising interest rates on the portfolio returns attributable to that Share Class by hedging the duration risk associated with the underlying reference benchmark of the Fund rather than the duration risk of the portfolio itself.

The hedging strategies applied to Duration Hedged Share Classes may vary on a Fund by Fund basis. Funds will apply a hedging strategy which aims to mitigate duration risk, while taking account of practical considerations including transaction costs. It is the Directors intention that all gains/losses or expenses arising from duration hedging transactions are borne separately by the shareholders of the respective Duration Hedged Share Classes. However, there is a risk that any adverse impact regarding the use of derivatives may, in exceptional circumstances, affect the portfolio as a whole and by default all shareholders not just shareholders of the Duration Hedged Share Classes. Please refer to the risk factor entitled "Duration Hedging" for further information.

General
Investors purchasing any Share Class through a distributor will be subject to the distributor's normal account opening requirements. Title to registered shares is evidenced by entries in the Company's Share register. Shareholders will receive

confirmation notes of their transactions. Registered share certificates are not issued.

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

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

Dealing in Fund Shares

Daily Dealing

Dealing in Shares can normally be effected daily on any day that is a Dealing Day for the relevant Fund. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on the relevant Dealing Day (the "Cut-Off Point"). Such orders shall be processed on that day and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day. At the discretion of the Company, dealing orders transmitted by a paying agent, a correspondent bank or other entity aggregating deals on behalf of its underlying clients before the Cut-Off Point but only received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point may be treated as if they had been received before the Cut-Off Point. At the discretion of the Company, prices applied to orders backed by uncleared funds may be those calculated in the afternoon of the day following receipt of cleared funds. Further details and exceptions are described under the sections entitled "Application for Shares", "Redemption of Shares" and "Conversion of Shares" below. Once given, applications to subscribe and instructions to redeem or convert are irrevocable except in the case of suspension or deferral (see paragraphs 30. to 33. of Appendix B) and cancellation requests received before 12 noon Luxembourg time.

Orders placed through distributors rather than directly with the Transfer Agent or the local Investor Servicing team may be subject to different procedures which may delay receipt by the Transfer Agent or the local Investor Servicing team. Investors should consult their distributor before placing orders in any Fund.

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

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

Non-Dealing Days

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

General

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

Prices of Shares

All prices are determined after the deadline for receipt of dealing orders 12 noon Luxembourg time on the Dealing Day concerned. Prices are quoted in the Dealing Currency(ies) of the relevant Fund. In the case of those Funds for which two or more Dealing Currencies are available, if an investor does not specify his choice of Dealing Currency at the time of dealing then the Base Currency of the relevant Fund will be used.

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

Class A, Class D, Class E, Class I, Class J, Class S, Class X and Class Z Shares

Class A, Class D, Class E, Class I, Class J, Class S, Class X and Class Z Shares may normally be acquired or redeemed at their Net Asset Value. Prices may include or have added to them, as appropriate: (i) an initial charge; (ii) a distribution fee; and (iii) in limited circumstances, adjustments to reflect fiscal charges and dealing costs (see paragraph 18.3 of Appendix B).

Class C Shares
Class C Shares may normally be acquired or redeemed at their respective Net Asset Values. No charge is added to or included in the price payable on acquisition or redemption but, with the exception of Shares of the Reserve Funds, a CDSC, where applicable, will be deducted from the proceeds of redemption as described in the section "Fees, Charges and Expenses" and in paragraph 19. of Appendix B. Prices may include or have added to them, as appropriate, (i) a distribution fee; and (ii), in limited circumstances, adjustments to reflect fiscal charges and dealing costs (see paragraph 18.3 of Appendix B).

The specific levels of fees and charges that apply to each Share Class are explained in more detail in the section "Fees, Charges and Expenses" and in Appendices B, C and E.

Application for Shares

Applications
Initial applications for Shares must be made to the Transfer Agent or the local Investor Servicing team on the application form. Certain distributors may allow underlying investors to submit applications through them for onward transmission to the Transfer Agent or the local Investor Servicing team. All initial applications for Shares must be made by completing the application form and returning it to the Transfer Agent or the local Investor Servicing team. Failure to provide the original application form will delay the completion of the transaction and consequently the ability to effect subsequent dealings in the Shares concerned. Subsequent applications for Shares may be made in writing or by fax and the Management Company may, at its sole discretion, accept individual dealing orders submitted via other forms of electronic communication. Investors who do not specify a Share Class in the application will be deemed to have requested Class A Non-Distributing Shares.

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

Applications for registered shares should be made for Shares having a specified value and fractions of Shares will be issued where appropriate. Global certificates will be issued in whole Shares only.

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

Investors must meet the investment criteria for any Share Class in which they intend to invest (such as minimum initial investment and specified investor type as set out under the section "Classes and Form of Shares"). If an investor purchases Shares in a Share Class in which that investor does not meet the investment criteria then the Directors reserve the right to redeem the investor's holding. In such a scenario the Directors are not obliged to give the investor prior notice of their actions. The Directors may also decide, upon prior consultation with and approval of the relevant shareholder, to switch the investor into a more appropriate class in the relevant Fund (where available).

Investors acknowledge and authorise that their personal data and other information (including information relating to their investments in the Company) supplied to or received by, the Company, the Management Company, the BlackRock Group and/ or the Transfer Agent may be stored, processed, transferred and/ or disclosed by any of these entities to: (i) any other member(s) of the BlackRock Group and any of their respective agents delegates and/or service providers and/or any other member(s) of the JP Morgan Group (in each case including where any of the aforementioned entities is located outside Luxembourg or in countries outside the European Economic Area having lower standards of protection for personal data and/or statutory confidentiality) and/or (ii) to any of the Transfer Agent's agents, delegates and/or service providers within the European Economic Area, in each case, by using electronic communications, gateways and/or computing systems operated by any of such entities and solely for the purposes of enabling the Company, the Management Company and/or the Transfer Agent (as appropriate) to: (a) provide administration, transfer agency, paying agency or any ancillary or related services requested by the Company and/or for which investors have applied or may apply in the future and (b) to comply with any applicable laws, regulations, regulatory requirements, internal risk-management or compliance policies or any orders issued by a court, regulatory or governmental authority in any jurisdiction where the investor's data may be stored or processed. Accordingly, the investor's information will be held in confidence and not shared without the investor's permission other than as described above.

Investors further acknowledge that this authorisation is also granted in the context of the Luxembourg statutory confidentiality and personal data protection obligations of the Transfer Agent and, by subscribing Shares in the Company, waive such confidentiality and personal data protection in respect of the holding, processing and transfer of their data by the Transfer Agent and only to the extent necessary pursuant to paragraphs (a) and (b) above. Should the investor wish to amend or revoke its authorisation in this respect it shall notify the Transfer Agent of its intention in writing.

Investors may at any time request information about the companies within the BlackRock Group and/or the JP Morgan Group and the countries in which they operate, as well as a copy of the information held in relation to them and request any errors to be corrected.

Settlement

For all Shares, settlement in cleared funds net of bank charges must be made within three Business Days of the relevant Dealing Day unless otherwise specified in the contract note in cases where the standard settlement date is a public holiday for the currency of settlement. If timely settlement is not made (or a completed application form is not received for an initial subscription) the relevant allotment of Shares may be cancelled and an applicant may be required to compensate the relevant distributor and/or the Company (see paragraph 27. of Appendix B).

Payment instructions are summarised at the back of this Prospectus. Payments made by cash or cheque will not be accepted.

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

The Management Company may, at its discretion, accept subscriptions in specie, or partly in cash and in specie, subject always to the minimum initial subscription amounts and the additional subscription amounts and provided further that the value of such subscription in specie (after deduction of any relevant charges and expenses) equals the subscription price of the Shares. Such securities will be valued on the relevant Dealing Day and, in accordance with Luxembourg law, may be subject to a special report of the Auditor. Further details of redemptions in specie are set out in paragraphs 24. and 25. of Appendix B.

Minimum Subscription

The minimum initial subscription in respect of any Share Class of a Fund is currently USD5,000 except for Class D Shares where the minimum is USD100,000 and Class I Shares, Class J Shares, Class S Shares, Class X Shares and Class Z Shares where the minimum is USD10 million or the approximate equivalent in the relevant Dealing Currency. The minimum for additions to existing holdings of any Share Class of a Fund is USD1,000 or the approximate equivalent. These minima may be varied for any particular case or distributor or generally. Details of the current minima are available from the local Investor Servicing team.

Compliance with Applicable Laws and Regulations

Investors who wish to subscribe for Shares must provide the Transfer Agent and/or the Management Company and/or Depositary with all necessary information which they may reasonably require to verify the identity of the investor in accordance with applicable Luxembourg regulations on the prevention of the use of the financial sector for money laundering purposes and in particular in accordance with CSSF circular 08/387 as amended, restated or supplemented from time to time and in order to comply with screening requirements issued by any regulatory, governmental or other official authorities in respect of applicable international financial sanctions. Failure to do so may result in the Management Company rejecting a subscription order.

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

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

Redemption of Shares

Applications to Redeem

Instructions for the redemption of registered Shares should normally be given by fax or in writing to the Transfer Agent or the local Investor Servicing team and the Management Company may, at its sole discretion, accept individual dealing orders submitted via other forms of electronic communication. Certain distributors may allow underlying investors to submit instructions for redemptions through them for onward transmission to the Transfer Agent or the local Investor Servicing team. They may also be given to the Transfer Agent or the local Investor Servicing team in writing or by fax followed by confirmation in writing (for faxed instructions) sent by mail to the Transfer Agent or the local Investor Servicing team unless a coverall renunciation and fax indemnity including instructions to pay the redemption proceeds to a specified bank account has been agreed. Failure to provide written confirmations may delay settlement of the transaction (see also paragraph 27. of Appendix B). Written redemption requests (or written confirmations of such requests) must include the full name(s) and address of the holders, the name of the Fund, the Class (including whether it is the Distributing or Non-Distributing Share Class), the value or number of Shares to be redeemed and full settlement instructions and must be signed by all holders. If a redemption order is made for a cash amount or for a number of Shares to a higher value than that of the applicant's account then this order will be automatically treated as an order to redeem all of the Shares on the applicant's account.

Redemptions may be suspended or deferred as described in paragraphs 30. to 33. of Appendix B.

Settlement
Subject to paragraph 23. of Appendix B, redemption payments will normally be despatched in the relevant Dealing Currency on the third Business Day after the relevant Dealing Day, provided that the relevant documents (as described above and any applicable money laundering prevention or international financial sanctions information) have been received. On written request to the Transfer Agent or the local Investor Servicing team, payment may be made in such other currency as may be freely purchased by the Transfer Agent with the relevant Dealing Currency and such currency exchange will be effected at the shareholder's cost.

Redemption payments for Shares are made by telegraphic transfer to the shareholder's bank account at the shareholder's cost. Investors with bank accounts in the European Union must provide the IBAN (International Bank Account Number) and BIC (Bank Identifier Code) of their account.

The Directors may, subject to the prior consent of a shareholder and to the minimum dealing and holding amounts, effect a payment of redemption proceeds in specie. Such redemption in specie will be valued on the relevant Dealing Day and, in accordance with Luxembourg law, may be subject to a special report of the Auditor. Further details of redemptions in specie are set out in paragraph 25. of Appendix B.

Conversion of Shares

Switching Between Funds and Share Classes
Shareholders may request conversions of their shareholdings between the same Share Classes of the various Funds and thereby alter the balance of their portfolios to reflect changing market conditions.

Shareholders may also request conversion from one Share Class in a Fund to another Share Class of either the same Fund or a different Fund or between Distributing and Non-Distributing Shares of the same Class or between Hedged Share Classes, Duration Hedged Share Classes and un-hedged Shares of the same Class (where available).

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

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

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

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

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

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

For holders of all Share Classes, there is normally no conversion charge by the Management Company. However, conversion charges may apply in some circumstances – see paragraphs 20. to 22. of Appendix B.

Conversion from a Share Class carrying a CDSC, where the CDSC is still outstanding, will not be treated as a conversion but as a redemption thereby causing any CDSC due at the time of conversion to become payable. Conversion and investment into and out of certain Share Classes is at the discretion of the Management Company. At the Management Company's discretion and provided always that the investor is an Institutional Investor, conversion from any Share Class into Class I, Class X or Class J Shares is permitted.

The Management Company may, at its discretion, refuse conversions in order to ensure that the Shares are not held by or on behalf of any person who does not meet the conditions applicable to investment in that Share Class, or who would then hold the Shares in circumstances which could give rise to a breach of law, or requirements of any country, government or regulatory authority on the part of that person or the Company or give rise to adverse tax or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. In addition, the Management Company may, at its discretion, refuse conversions between Share Classes if it presented currency conversion issues, for example, if the relevant currencies in respect of the conversion were illiquid at the time.

Instructions to Convert
Instructions for the conversion of registered shares should normally be given by instructing the Transfer Agent or the local Investor Servicing team in writing, or by fax (in a format acceptable to the Company) and the Management Company may, at its sole discretion, accept individual conversion orders

submitted via other forms of electronic communication. Instructions given by fax must be followed in each case by confirmation in writing sent by mail to the Transfer Agent or the local Investor Servicing team. Failure to provide adequate written confirmation may delay the conversion. Certain distributors may allow underlying investors to submit instructions for conversions through them for onward transmission to the Transfer Agent or the local Investor Servicing team. Instructions may also be given by fax or in writing to the Transfer Agent or the local Investor Servicing team. Written conversion requests (or written confirmations of such requests) must include the full name(s) and address of the holder(s), the name of the Fund, the Class (including whether it is the Distributing or Non-Distributing Share class), the value or number of Shares to be converted and the Fund to be converted into (and the choice of Dealing Currency of the Fund where more than one is available) and whether or not they are UK Reporting Fund status Shares. Where the Funds to which a conversion relates have different Dealing Currencies, currency will be converted at the relevant rate of exchange on the Dealing Day on which the conversion is effected.

Conversions may be suspended or deferred as described in paragraphs 30. to 33. of Appendix B and an order for conversion into a Fund constituting over 10% of such Fund's value may not be accepted, as described in paragraph 32. of Appendix B.

Exchange Privilege through Merrill Lynch

Merrill Lynch allows shareholders who have acquired Shares through it to exchange their Shares for shares with a similar charging structure of certain other funds, provided that Merrill Lynch believes that an exchange is permitted under applicable law and regulations. Details of this exchange privilege can be obtained from Merrill Lynch financial advisors.

Transfer of Shares

Shareholders holding Shares of any Class through a distributor or other intermediary may request that their existing holdings be transferred to another distributor or intermediary which has an agreement with the Principal Distributor. Any transfer of Class C Shares in this way is subject to the payment of any outstanding CDSC to the investor's existing distributor or intermediary.

Minimum Dealing & Holding Sizes

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

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

Dividends

Dividend Policy

The Directors' current policy depends on the Share Class. For Non-Distributing Share Classes the current policy is to retain and reinvest all net income. In this regard the income is retained in the Net Asset Value and reflected in the Net Asset Value per share of the relevant Class. For the Distributing Share Classes, the current policy is to distribute substantially all of the investment income (where available) for the period after deduction of expenses for Share Classes which distribute net or all of the investment income for the period, and potentially a portion of capital before deduction of expenses for Share Classes which distribute gross. Please refer to the "Calculation of Dividends" section below for further information regarding the distribution policies for each Distributing Share Class.

The Directors may also determine if and to what extent dividends may include distributions from both net realised and net unrealised capital gains. Where Distributing Share Classes pay dividends that include net realised capital gains or net unrealised capital gains, or, in the case of Funds which distribute income gross of expenses, dividends may include initially subscribed capital. Shareholders should note that dividends distributed in this manner may be taxable as income, depending on the local tax legislation, and should seek their own professional tax advice in this regard.

Where a Fund has UK Reporting Fund status and reported income exceeds distributions made then the surplus shall be treated as a deemed dividend and will be taxed as income, subject to the tax status of the investor.

For those Funds which offer UK Reporting Fund status Share Classes, the frequency at which the dividend payment is generally made is determined by the Fund type as described in the section "Classes and Form of Shares".

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

Please refer to the table below entitled "Calculation of Dividends" which sets out the usual calculation methodology for the Distributing Share Classes. Please refer to the table below entitled "Declaration, Payment of Reinvestment of Dividend" which sets out the usual declaration, payment and reinvestment methodology for the Distributing Share Classes. The Directors may make additional dividend payments or amend the policy of a Distributing Share Class under certain circumstances.

Distributing Shares with alternative payment frequencies may be introduced at the Directors' discretion. Confirmation of additional distribution frequencies and the date of their availability can be obtained from the Company's registered office and the local Investor Servicing team. The Company may operate income equalisation arrangements with a view to ensuring that the level of net income accrued within a Fund (or gross income in the case of Distributing (G) Shares, Distributing (S) Shares, Distributing (Y) Shares and gross income and any Interest Rate Differential for Distributing (R) Shares) and attributable to each Share is not affected by the issue, conversion or redemption of those Shares during an accounting period.

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

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

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

Calculation of Dividends

The usual calculation method for each type of Distributing Share Class is described below. The methodology may be changed at the Directors discretion.

	Calculation Method
Distributing (D) Shares (which may be referred to using the number 1 e.g. A1)	The dividend is calculated daily based upon daily-accrued income less expenses, for the number of Shares outstanding on that day. A cumulative monthly dividend is then distributed to shareholders based upon the number of Shares held and the number of days for which they were held during the period. Holders of Distributing (D) Shares shall be entitled to dividends from the date of subscription to the date of redemption.
Distributing (M) Shares (which may be referred to using the number 3 e.g. A3)	The dividend is calculated monthly based upon income accrued during the dividend period less expenses. The dividend is distributed to shareholders based upon the number of Shares held at the month end.
Distributing (S) Shares (which may be referred to using the number 6 e.g. A6)	The dividend is calculated at the discretion of the Directors on the basis of the expected gross income over a given period (such period to be determined by the Directors from time to time) with a view to providing consistent monthly dividend distributions to shareholders during such period. At the discretion of the Directors the dividend may include distributions from capital, net realised and net unrealised capital gains. The dividend is calculated monthly and distributed to shareholders based upon the number of Shares held at the month end.
Distributing (R) Shares (which may be referred to using the number 8 e.g. A8)	The dividend is calculated at the discretion of the Directors on the basis of the expected gross income and Interest Rate Differential arising from Share Class currency hedging over a given period (such period to be determined by the Directors from time to time) with a view to providing consistent monthly dividend distributions to shareholders during such period. At the discretion of the Directors the dividend may include distributions from capital, net realised and net unrealised capital gains. Inclusion of any Interest Rate Differential arising from Share Class currency hedging in the dividend calculation will be considered a distribution from capital or capital gains. The dividend is calculated monthly and distributed to shareholders based upon the number of Shares held at the month end.
Distributing (Q) Shares (which may be referred to using the number 5 e.g. A5)	The dividend is calculated quarterly based upon income accrued during the dividend period less expenses. The dividend is distributed to shareholders based upon the number of Shares held at the end of the quarter.
Distributing (A) Shares (which may be referred to using the number 4 e.g. A4)	The dividend is calculated annually based upon income accrued during the dividend period less expenses. The dividend is distributed to shareholders based upon the number of Shares held at the end of the annual period.
Distributing (Y) Shares (which may be referred to using the number 9 e.g. A9)	The dividend is calculated at the discretion of the Directors on the basis of the expected gross income over a given period (such period to be determined by the Directors from time to time) with a view to providing quarterly dividend distributions to shareholders which will on an annual basis be equal to, or greater than, the Dividend Threshold Amount. Quarterly dividend distributions may exceed the Dividend Threshold Amount, where underlying income generated on the Fund's assets is greater the Dividend Threshold Amount on an annual basis. At the discretion of the Directors the dividend may include distributions from capital, net realised and net unrealised capital gains in order to ensure that the dividend is on an annual basis at least equal to the Dividend Threshold Amount. This may have the effect of reducing the potential for capital growth. The dividend is calculated quarterly and distributed to shareholders based upon the number of Shares held at the end of the quarter.

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

Distributing Shares where income is distributed gross of expenses will also be referred to as Distributing (G) Shares e.g. Class A4(G). Where Distributing (G) Shares are issued for (D), (M), (Q) or (A) Shares, the calculation method set out above is amended to reflect that income is distributed gross of expenses. Distributing (G) Shares is the default Share Class issued in respect of the Equity Income Funds.

Classes of Share which have obtained UK Reporting Fund status will also be referred to using the abbreviation (RF) e.g. A4(RF).

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

Declaration, Payment of Reinvestment of Dividend

The chart below describes the usual process for the declaration and payment of dividends and the reinvestment options available to shareholders. The declaration date frequency may change at the Directors discretion.

<table>
<tr><th>Dividend Classifica-tion*</th><th>Declaration</th><th>Payment</th><th>Automatic Dividend Reinvestment</th><th>Payment Method</th></tr>
<tr><td>Distributing (D) Shares</td><td rowspan="4">Last Business Day of each calendar month in the Dealing Currency(ies) of the relevant Fund (or such other Business Day as the Directors may determine and notify to shareholders, in advance if possible).</td><td>Within 1 calendar month of declaration to shareholders holding Shares during the period following the previous declaration.</td><td rowspan="7">Dividends will be automatically reinvested in further Shares of the same form of the same class of the same Fund, unless the shareholder requests otherwise either in writing to the local Investor Servicing team or on the application form.</td><td rowspan="7">Dividends (where a shareholder has notified the local Investor Servicing team or on the application form) are paid directly into the shareholder's bank account by telegraphic transfer in the shareholder's chosen dealing currency at the shareholder's cost (except as otherwise agreed with by an underlying investor with his/her distributor).</td></tr>
<tr><td>Distributing (M) Shares</td><td rowspan="4">Within 1 calendar month of declaration to shareholders registered in the share register on the Business Day prior to the declaration date.</td></tr>
<tr><td>Distributing (S) Shares</td></tr>
<tr><td>Distributing (R) Shares</td></tr>
<tr><td>Distributing (Y) Shares</td><td>Last Business Day of each calendar quarter in the Dealing Currency(ies) of the relevant Fund (or such other Business Day as the Directors may determine and notify to shareholders, in advance if possible).</td></tr>
<tr><td>Distributing (Q) Shares</td><td>20 March, 20 June, 20 September and 20 December (provided such day is a Business Day and if not, the following Business Day).</td><td>Within 1 calendar month of the date of the declaration to shareholders.</td></tr>
<tr><td>Distributing (A) Shares</td><td>Last Business Day of each fiscal year in the Dealing Currency(ies) of the relevant Fund (or such other Business Day as the Directors may determine and notify to shareholders, in advance if possible).</td><td>Within 1 calendar month of declaration to shareholders registered in the share register on the Business Day prior to the declaration date.</td></tr>
</table>

* The options described in this chart will also apply to the respective class(es) of UK Reporting Fund status Shares and apply to both net and gross distributions.

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

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

Fees, Charges and Expenses

Please see Appendix E for a summary of fees and charges.
Further information on fees, charges and expenses is given in paragraphs 18. to 25. of Appendix C, and the following information must be read in conjunction with those paragraphs.

Management Fees

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

To assist in achieving the investment objectives of the Reserve Funds, in certain circumstances, including where market conditions cause decreasing yields on the Fund's underlying investments, the Management Company may determine to waive its right to take the full amount of management fees to which it is entitled on any particular day or days. The Management Company may exercise its discretion to do this without prejudice to its entitlement to take the full amount of the management fee accruing on any future days.

Distribution Fees

The Company pays annual distribution fees as shown in Appendix E. These fees accrue daily, are based on the Net Asset Value of the relevant Fund (reflecting, when applicable, any adjustment to the Net Asset Value of the relevant Fund, as described in paragraph 18.3 of Appendix B) and are paid monthly.

Securities Lending Fees

The securities lending agent, BlackRock Advisors (UK) Limited, receives remuneration in relation to its activities. Such remuneration shall not exceed 37.5% of the net revenue from the activities, with all operational costs borne out of BlackRock's share.

Administration Fee

The Company pays an Administration Fee to the Management Company.

The level of Administration Fee may vary at the Directors' discretion, as agreed with the Management Company, and will apply at different rates across the various Funds and Share Classes issued by the Company. However, it has been agreed between the Directors and the Management Company that the Administration Fee currently paid shall not exceed 0.25% per annum. It is accrued daily, based on the Net Asset Value of the relevant Share Class and paid monthly.

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

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

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

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

Other Fees

The Company also pays the fees of the Depositary and any legal costs relating to European Union withholding tax reclaims. These fees are normally allocated between the relevant Funds (plus any taxes thereon) on a fair and equitable basis at the Directors' discretion.

Initial Charge

On application for Shares an initial charge, payable to the Principal Distributor, of up to 5% may be added to the price of Class A Shares and Class D Shares. An initial charge of up to 3% may be added to the price of some Class E Shares (see Appendix E for details) subject to terms available from relevant distributors. No initial charge is levied on subscriptions into the Reserve Funds.

Contingent Deferred Sales Charge

A CDSC of 1% will be deducted from redemption proceeds and paid on redemption of all Class C Shares of all Funds (except in the case of Reserve Funds) unless the Shares are held for more than a year.

Further information on the CDSC is contained in paragraph 19. of Appendix B.

Conversion Charges

Conversion charges may be applied by selected distributors, on conversion from a Reserve Fund into another of the Company's Funds, or on excessively frequent conversions. See paragraphs 20. to 22. of Appendix B for further details.

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

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

The Management Company may pay fees and charges to the Principal Distributor, which in turn may pay fees to other distributors as described in paragraph 22. of Appendix C where permitted by applicable local laws.

Taxation

The following summary is based on current law and practice, which is subject to change.

Shareholders should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, redeeming, converting or selling shares or the effects of any equalisation policy relevant in respect of shares, under the laws of their country of citizenship, residence or domicile. Investors should note that the levels and bases of, and relief from, taxation can change.

For further information on taxation of the Subsidiary and the India Fund, investors are directed to the section "The Subsidiary" and "Taxation of the Subsidiary and the India Fund" in Appendix C.

Luxembourg
Under present Luxembourg law and practice, the Company is not liable to any Luxembourg income or capital gains tax, nor are dividends paid by the Company subject to any Luxembourg withholding tax. However, the Company is liable to a tax in Luxembourg of 0.05% per annum or, in the case of the Reserve Funds, Class I, Class J and Class X Shares, 0.01% per annum of its Net Asset Value, payable quarterly on the basis of the value of the net assets of the respective Funds at the end of the relevant calendar quarter. No stamp or other tax is payable in Luxembourg on the issue of Shares.

The benefit of the 0.01% tax rate is available to Class I, Class J and Class X Shares on the basis of Luxembourg legal, regulatory and tax provisions as known to the Company at the date of this Prospectus and at the time of admission of subsequent investors. However, such assessment is subject to interpretations on the status of an Institutional Investor by any competent authorities as will exist from time to time. Any reclassification made by an authority as to the status of an investor may submit all of Class I, Class J and Class X Shares to a tax of 0.05%.

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

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

Dividends from offshore funds received by investors subject to UK income tax will be taxed as dividends in the hands of the investor provided that the fund does not at any time during the distribution period hold more than 60% of its assets in interest-bearing (or economically similar) form. From 6 April 2016, there is no longer a notional 10% tax credit on dividend distributions. Instead, a £5,000 tax free dividend allowance has been introduced for UK individuals. Dividends received in excess of this threshold will be taxed at 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.

If the fund holds more than 60% of its assets in interest-bearing (or economically similar) form, any distribution received by UK investors who are subject to income tax will be treated as a payment of yearly interest. The tax rates applying will be those applying to interest (section 378A ITTOIA 2005).

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

The provisions of section 13 TCGA 1992 may apply to a holding in the Company. Where at least 50% of the Shares are held by five or fewer participators, then any UK person who (together with connected parties) holds more than 25% of the Shares may be taxed upon his proportion of the chargeable gain realised by the Fund as calculated for UK tax purposes.

On the death of a UK resident and domiciled individual shareholder, the shareholder's estate (excluding the UK Reporting Fund status Share Classes) may be liable to pay income tax on any accrued gain. Inheritance tax may be due on the value of the holding after deduction of income tax and subject to any available inheritance tax exemptions.

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

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

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

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

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

UK Reporting Funds

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

The UK Reporting Funds regime applies to the Company with effect from 1 September 2010.

A list of the Funds which currently have UK Reporting Fund status is available at https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds.

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

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

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

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

Hong Kong
Hong Kong profits tax is charged on the Hong Kong sourced profits of an offshore fund that carries on a trade, business or profession in Hong Kong. The Fund believes that, as an offshore fund, it will be entitled to exemptions from this tax with respect to profits derived from (i) "specified transactions" (as defined in Revenue Ordinance 2006 (the "Ordinance")) arranged by BlackRock (Hong Kong) Limited, a "specified person" (as defined in the Ordinance), and (ii) transactions "incidental" to carrying out specified transactions. However certain other types of transactions in which the Fund may engage may be subject to this tax, and if the Fund's "incidental" transactions exceed 5% of the total transactions effected, the incidental transactions will be subject to the profits tax.

People's Republic of China ("PRC")
Although the PRC's enactment of the Enterprise Income Tax Law, effective January 1, 2008, provided a 10% withholding tax upon non-residents with respect to capital gains, significant uncertainties remain. Such uncertainties may result in capital gains imposed upon the Fund relative to companies being, or deemed to be, headquartered, managed or listed in the PRC. The Investment Adviser anticipates that a proportion of the portfolio will comprise issuers having that degree of connection with the PRC and hence at risk of such taxation. While the application and enforcement of this law with respect to the Fund remains subject to clarification, to the extent that such taxes are imposed on any capital gains of the Fund relative to companies being, or deemed to be, headquartered, managed or listed in the PRC, the Fund's Net Asset Value or returns would be adversely impacted. The Fund does not currently intend to make any accounting provision for these tax uncertainties.

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

A number of jurisdictions have entered into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Cooperation and Development (OECD). This will require the Company to provide certain information to the ACD about its direct and, in certain circumstances, its indirect shareholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).

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

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

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

Under current Luxembourg tax law, there is no withholding tax on payments made by the Company or its paying agent to the shareholders. Indeed, in accordance with the law of 25 November 2014, Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the Council Directive 2003/48/EC on the taxation of savings income as from 1 January 2015. The information to be automatically exchanged relates to the identity and the residence of the beneficial owner, the name or denomination and the address of the paying agent, the account number of the beneficial owner, or instead the identification of the debt claim generating the interests, and the total amount of interest or assimilated income generated.

The European Union has adopted a Directive repealing the EU Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements).

Meetings and Reports

Meetings
The annual general meeting of shareholders of the Company is held in Luxembourg at 11 a.m. (Luxembourg time) on 20 February each year (or if such day is not a Business Day in Luxembourg, on the next following Business Day in

Luxembourg). Other general meetings of shareholders will be held at such times and places as are indicated in the notices of such meetings. Notices are sent to registered shareholders and (when legally required) published in such newspapers as decided by the Board of Directors and in the Recueil des Sociétés et Associations du Mémorial in Luxembourg.

Reports

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

Appendix A – Investment and Borrowing Powers and Restrictions

Investment and Borrowing Powers

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

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

Investment and Borrowing Restrictions

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

2.1 The investments of each Fund shall consist of:

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

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

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

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

2.1.5 Recently issued transferable securities and money market instruments provided that the terms of the issue include an undertaking that application will be made for admission to the official listing on one of the stock exchanges as specified in 2.1.1 and 2.1.3 or regulated markets that are operating regularly, are recognised and open to the public as specified in 2.1.2 and 2.1.4 and that such admission is secured within a year of issue,

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

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
- the level of protection for shareholders in the other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended;
- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the UCITS' or the other UCIs' assets (or of the assets of any sub-fund thereof, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties), whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;

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

2.1.8 financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market; and/or financial derivative instruments dealt in OTC derivatives, provided that:

- the underlying consists of instruments described in sub-paragraphs 2.1.1 to 2.1.7 above and 2.1.9 below, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

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

- issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs 2.1.1, 2.1.2 or 2.1.3 above; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least €10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity

which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2.2 Furthermore, each Fund may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in sub-paragraph 2.1.1 to 2.1.9.

2.3 Each Fund may acquire the units of other Funds in the Company, UCITS and/or other UCIs referred to in paragraph 2.1.6. Each Fund's aggregate investment in UCITS, other Funds in the Company and other UCI's will not exceed 10% of its net assets in order that the Funds are deemed eligible investments for other UCITS funds.

When each Fund has acquired shares of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraph 2.6.

When a Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same investment manager or by any other company with which the investment manager is linked by common management or control, or by a substantial direct or indirect holding, no subscription or redemption fees may be charged to the Company on its investment in the units of such other UCITS and/or UCIs. For further details please refer paragraph 34. of the section entitled "Conflicts of Interest and Relationships within the BlackRock Group and with the PNC Group" of this Prospectus.

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

- the target Fund may not itself invest in the investor Fund;
- the target Fund may not invest more than 10% of its net assets in units of another Fund of the Company (as set out in paragraph 2.3 above);
- any voting rights which may be attached to the shares of the target Fund will be suspended for the investor Fund for the duration of the investment;
- any management fees or subscription or redemption fees payable in relation to the target Fund may not be charged to the investor Fund; and
- the net asset value of the shares of the target Fund may not be considered for the purpose of the requirement that the capital of the Company should be above the legal minimum as specified in the 2010 Law, currently €1,250,000.

2.5 A Fund may hold ancillary liquid assets.

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

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

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

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

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

2.6.4 The total value of the transferable securities or money market instruments held by a Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not then exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision. The transferable securities and money market instruments limits referred to in the two indents of paragraph 2.6.3 above shall not be taken into account for the purpose of applying the limit of 40% referred to in this paragraph.

Notwithstanding the individual limits laid down in sub-paragraphs 2.6.1 to 2.6.4 above, a Fund may not combine:

- investments in transferable securities or money market instruments issued by a single entity; and/or
- deposits made with a single entity; and/or
- exposures arising from OTC derivative transactions undertaken with a single entity, in excess of 20% of its net assets.

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

The limits provided for in sub-paragraphs 2.6.1 to 2.6.4 above may not be combined, and thus investments in transferable securities or money market instruments issued by the same entity or in deposits or derivative instruments made with this entity carried out in accordance with paragraphs 2.6.1 to 2.6.4 shall under no circumstances exceed in total 35% of the net assets of the Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/ EEC or in accordance with recognised international accounting rules, are regarded as a single entity for the purpose of calculating the investment limits mentioned in sub-paragraphs 2.6.1 to 2.6.4 above.

The Fund may not invest cumulatively more that 20% of its net assets in transferable securities or money market instruments of the same group subject to restrictions 2.6.1 and the three indents under 2.6.4 above.

Without prejudice to the limits laid down in paragraph 2.8 below, the limit of 10% laid down in sub-paragraph 2.6.1 above is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of a Fund is to replicate the composition of a certain equity or debt securities index which is recognised by the CSSF, on the following basis:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- it is published in an appropriate manner;
- it is replicable;
- it is transparent, with the full calculation methodology and index performance published; and
- it is subject to independent valuation.

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

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

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

2.8 The Company may not:

2.8.1 acquire more than 10% of the shares with non-voting rights of one and the same issuer.

2.8.2 acquire more than 10% of the debt securities of one and the same issuer.

2.8.3 acquire more than 25% of the units of one and the same undertaking for collective investment.

2.8.4 acquire more than 10% of the money market instruments of any single issuer.

The limits stipulated in sub-paragraphs 2.8.2, 2.8.3 and 2.8.4 above may be disregarded at the time of acquisition if, at that time, the gross amount of debt securities or of the money market instruments, or the net amount of securities in issue cannot be calculated.

2.9 The limits stipulated in paragraphs 2.7 and 2.8 above do not apply to:

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

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

2.9.3 Transferable securities and money market instruments issued by public international institutions of which one or more EU Member States are members;

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

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

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

When the maximum percentages stated in paragraphs 2.2 through 2.8 above are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt, as a priority objective, sales transactions to remedy the situation, taking due account of the interests of its shareholders.

2.11 A Fund may borrow to the extent of 10% of its total net assets (valued at market value) provided these borrowings are made on a temporary basis. However, the Company may acquire for the account of a Fund foreign currency by way of back-to-back loan. Any repayment of monies borrowed, together with accrued interest, shall be paid out of the assets of the respective Fund.

2.12 The Company may not grant credit facilities nor act as guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, money market instruments or other financial investments referred to in sub-paragraphs 2.1.6, 2.1.8 and 2.1.9 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.

2.13 The Company undertakes not to carry out uncovered sales transactions of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 2.1.6, 2.1.8 and 2.1.9 above; provided that this restriction shall not prevent the Company from making deposits or carrying out accounts in connection with financial derivatives instruments, permitted within the limits referred to above.

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

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

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

2.17 **Short Term Money-Market Funds**

A Fund which is categorised in this Prospectus as a "Short Term Money-Market Fund" in accordance with the ESMA's "Guidelines on a common definition of European money market funds" will satisfy the following conditions:

- the Fund's primary investment objective is to maintain the principal and aim to provide a return in line with money-market rates;
- the Fund will invest only in approved money-market instruments (in accordance with section 2. of this Appendix) and deposits with credit institutions;
- the Fund will, on an ongoing basis, ensure the approved money-market instruments it invests in are of "high quality" as determined by the Investment Manager in accordance with the range of factors to determine "high quality" set out in the ESMA Guidelines;
- the Fund will provide daily net asset value and price calculation and allow for daily subscription and redemption of shares;
- the Fund will invest only in securities with a residual maturity until the legal redemption date of less than or equal to 397 days and the Fund will maintain a weighted average maturity of no more than 60 days and a weighted average life of no more than 120 days;
- the Fund will not take direct or indirect exposure to equities or commodities, including via derivatives and will only use derivatives in line with its money market investment strategy. If using derivatives that give exposure to foreign exchange the Fund will do so only for the purposes of hedging;
- the Fund will only invest in non-base currency securities where its exposure is fully hedged;
- the Fund will limit its investment in other collective investment schemes to those permitted under section 2. of this Appendix and which meet the definition of a "Short-Term Money-Market Fund" in accordance with ESMA's "Guidelines on a common definition of European money market funds"; and
- the Fund will aim to maintain a fluctuating net asset value or a constant net asset value.

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

3. Financial Techniques and Instruments.

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

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

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

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

3.4 The Company will ensure that the global exposure of the underlying assets shall not exceed the total net value of a Fund. The underlying assets of index based derivative instruments are not combined to the investment limits laid down under sub-paragraphs 2.6.1 to 2.6.4 above.

- When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.
- The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

3.5 **Efficient Portfolio Management – Other Techniques and Instruments**

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

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

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

(a) reduction of risk;

(b) reduction of cost;

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

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

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

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

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

As part of the efficient portfolio management techniques the Funds may underwrite or sub-underwrite certain offerings from time to time through the Investment Advisers. The Management Company will seek to ensure that the relevant Funds will receive the commissions and fees payable under such contracts and all investments acquired pursuant to such contracts will form part of the relevant Funds' assets. Under the Luxembourg regulation, there is no requirement to require a prior consent of the trustee/depositary.

3.6 Securities lending transactions

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

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

3.6.2 the borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;

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

3.6.4 as part of its lending transactions, the Company must receive collateral, the market value of which, shall, at all times, be equal to at least the market value of the securities lent plus a premium;

3.6.5 such collateral must be received prior to or simultaneously with the transfer of the securities lent. When the securities are lent through an intermediary referred to under 3.6.1 above, the transfer of the securities lent may be effected prior to receipt of the collateral, if the relevant intermediary ensures proper completion of the transaction. The intermediary may, instead of the borrower, provide to the UCITS collateral in lieu of the borrower; and

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

The Company shall disclose the global valuation of the securities lent in the annual and semi-annual reports. Please refer also to paragraph 11. ("The Depositary") in Appendix C for information on additional requirements pursuant to the UCITS Directive in relation to the reuse of assets held in custody by the Depositary.

3.7 Repo transactions

The Company may enter into:

- repurchase transactions which consist of the purchase or sale of securities with provisions reserving the seller the right or the obligation to repurchase from the buyer securities sold at a price and term specified by the two parties in their contractual arrangement; and
- reverse repurchase agreement transactions, which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and the Company the obligation to return the securities received under the transaction.

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

(a) the fulfilment of the conditions 3.6.2 and 3.6.3;

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

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

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

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

(iii) assets referred to under 3.8.2(b), 3.8.2(c) and 3.8.2(d) below; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) shares or units issued by UCITS investing mainly in bonds/shares mentioned under 3.8.2(e) and 3.8.2(f) hereunder;

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

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

3.8.3 Where there is title transfer, the Collateral received should be held by the Depositary, or its agent.

3.8.4 When the Collateral given in the form of cash exposes the Company to a credit risk vis-à-vis the trustee of this Collateral, such exposure shall be subject to the 20% limitation as laid down in section 2.6 above.

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

3.8.6 Cash received as Collateral may only be:

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

(b) invested in high quality government bonds;

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

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

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

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

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

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

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

(c) The Company'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.

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

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

Articles of Association

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

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

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

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

1.4 **Fractions**
Fractions of Shares may be issued only as registered shares.

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

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

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

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

No contract or other transaction between the Company and any other company or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Company is interested in, or is a director, associate, officer or employee of, that other company or firm.

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

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

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

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

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

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

1.11 **Unclaimed Dividends**
If a dividend has been declared but not paid, and no coupon has been tendered for such dividend within a period of five years, the Company is entitled under Luxembourg law to declare the dividend forfeited for the benefit of the Fund concerned. The Directors have, however, resolved as a matter of policy not to exercise this right for at least twelve years after the relevant dividend is declared. This policy will not be altered without the sanction of the shareholders in general meeting.

Company Practice

2. Shares will be divided into Classes each linked to a Fund. More than one Share Class may be linked to a Fund. Currently, up to nine Share Classes (Class A, C, D, E, I, J, S, X and Z Shares) are

linked to each Fund except for the Distributing Funds for which there are up to eighteen Share Classes (Class A Distributing, Class A Non-Distributing, Class C Distributing, Class C Non-Distributing, Class D Distributing, Class D Non-Distributing, Class E Non-Distributing, Class E Distributing, Class I Non-Distributing, Class I Distributing, Class J D-istributing, Class J Non-Distributing, Class S Non-Distributing, Class S Distributing, Class X Non-Distributing, Class X Distributing Shares, Class Z Non-Distributing and Class Z Distributing). They have no preferential or pre-emption rights and are freely transferable, save as referred to below. Non-Distributing Shares are referred to using the number 2. Distributing Shares are further referred to using the numbers 1 (distributing daily), 3 (distributing monthly), 4 (distributing annually), 5 (distributing quarterly), 6 (distributing monthly on the basis of expected gross income), 8 (distributing monthly on the basis of expected gross income and any Interest Rate Differential arising from Share Class currency hedging) and 9 (distributing quarterly on the basis of expected gross income and at least equal to, or greater than, the Dividend Threshold Amount on an annual basis) (See the section entitled "Class and Form of Shares" for further details).

Restrictions on Holding of Shares

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

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

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

   If a shareholder currently resident outside the US becomes resident in the US (and consequently comes within the definition of a US Person), that shareholder will be required to redeem its Shares.

5. Class I Shares, Class J Shares and Class X Shares are only available to Institutional Investors within the meaning of Article 174 of the 2010 Law. As at the date of this Prospectus, Institutional Investors shall include:

5.1 banks and other professionals of the financial sector, insurance and reinsurance companies, social security institutions and pension funds, industrial, charitable institutions, commercial and financial group companies, all subscribing on their own behalf, and the structures which such investors put into place for the management of their own assets;

5.2 credit institutions and other professionals of the financial sector established in or outside Luxembourg investing in their own name but on behalf of Institutional Investors as defined above;

5.3 credit institutions and other professionals of the financial sector established in or outside Luxembourg which invest in their own name but on behalf of their clients on the basis of a discretionary management mandate;

5.4 collective investment schemes established in or outside Luxembourg;

5.5 holding companies or similar entities, whether Luxembourg based or not, whose shareholders/beneficial owners are individual person(s) who are wealthy and may reasonably be regarded as sophisticated investors and where the purpose of the holding company is to hold important financial interests/investments for an individual or a family;

5.6 a holding company or similar entity, whether Luxembourg based or not, which as a result of its structure, activity and substance constitutes an Institutional Investor;

5.7 holding companies or similar entities, whether Luxembourg based or not, whose shareholders are Institutional Investors as described in the foregoing paragraphs; and/or

5.8 national and regional governments, central banks, international or a supranational institutions and other similar organisations.

Funds and Share Classes

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

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

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

9. The Directors may require redemption of all the Shares linked to a particular Fund if the Net Asset Value of the relevant Fund falls

below USD50 million (or the equivalent in any relevant Dealing Currency). The Articles also permit the Directors to notify shareholders of the closure of any particular Fund where they deem it in the interests of the shareholders or appropriate because of changes in the economic or political situation affecting the Fund but in such circumstances the Directors intend as a matter of policy to offer holders of any Share Classes a free transfer into the same Share Class of other Funds. As an alternative, subject to such prior notice to holders of Shares of all Classes of the relevant Fund, as may be required by law or regulation from time to time, the Directors may arrange for a Fund to be merged with another Fund of the Company or with another UCITS. Any such merger will be binding on the holders of the Share Classes of that Fund.

A Fund may be terminated or merged in circumstances other than those mentioned above with the consent of a majority of the Shares present or represented at a meeting of all shareholders of the Share Classes of that Fund (at which no quorum requirement will apply). To the extent applicable, where a Fund is terminated the redemption price payable on termination will be calculated on a basis reflecting the realisation and liquidation costs on terminating the Fund. Where a Fund is merged, the redemption price payable on a merger will only reflect transaction costs.

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

Valuation Arrangements

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

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

Net Asset Value and Price Determination

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

13. The Net Asset Value of each Fund, calculated in its Base Currency, is determined by aggregating the value of securities and other assets of the Company allocated to the relevant Fund and deducting the liabilities of the Company allocated to that Fund. The Net Asset Value per Share of the Share Classes of a particular Fund will reflect any adjustment to the Net Asset Value of the relevant Fund described in paragraph 18.3 below and will differ as a result of the allocation of different liabilities to those Classes (see section "Fees, Charges and Expenses" and as a result of dividends paid.

14. The value of all securities and other assets forming any particular Fund's portfolio is determined by the last known prices upon close of the exchange on which those securities or assets are traded or admitted for trading. For securities traded on markets closing after the time of the valuation, last known prices as of this time or such other time may be used. If net transactions in Shares of the Fund on any Dealing Day exceed the threshold referred to in paragraph 18.3 below, then additional procedures apply. The value of any securities or assets traded on any other regulated market is determined in the same way. Where such securities or other assets are quoted or dealt in on or by more than one stock exchange or regulated market the Directors may in their discretion select one of such stock exchanges or regulated markets for such purposes. Where possible, swaps are marked to market based upon daily prices obtained from third party pricing agents and verified against the quotations of the actual market maker. Where third party prices are not available, swap prices are based upon daily quotations available from the market maker.

15. In addition, the Directors shall be entitled to value the relevant securities or assets of certain Funds, using the amortised cost method of valuation whereby the value of its securities or assets are valued at their cost of acquisition adjusted for amortisation of premium or accretion of discount on those securities or assets rather than at the current market value of those securities or assets. The Directors will periodically review the value of the securities or assets concerned as compared to their market value. This method of valuation will only be used in accordance with Committee of European Securities Regulators (CESR) guidelines concerning eligible assets for investments by UCITS and only with respect to securities with a maturity at issuance or residual term to maturity of 397 days or less or securities that undergo regular yield adjustments at least every 397 days and provided the Fund's investments also maintain a weighted average duration of 60 days or less. A list of the relevant Funds will be made available upon request from the Company's registered office or online at www.blackrock.com.

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

17. If in any case a particular value is not ascertainable by the methods outlined above, or if the Directors consider that some other method of valuation more accurately reflects the fair value of the relevant security or other asset for the purpose concerned, the method of valuation of the security or asset will be such as the Directors in their absolute discretion decide. Discrepancies in the value of securities may result, for example, where the underlying markets are closed for business at the time of calculating the Net Asset Value of certain Funds or where

governments chose to impose fiscal or transaction charges on foreign investment. The Directors may set specific thresholds that, where exceeded, result in adjustment to the value of these securities to their fair value by applying a specific index adjustment.

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

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

18.3 The Directors may adjust the Net Asset Value per Share for a Fund in order to reduce the effect of "dilution" on that Fund. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a Fund, deviates from the carrying value of these assets in the Fund's valuation due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets. Dilution may have an adverse effect on the value of a Fund and therefore impact Shareholders. By adjusting the Net Asset Value per Share this effect can be reduced or prevented and Shareholders can be protected from the impact of dilution. The Directors may adjust the Net Asset Value of a Fund if on any Dealing Day the aggregate transactions in Shares of all Classes of that Fund result in a net increase or decrease of Shares which exceeds a threshold set by the Directors from time to time for that Fund (relating to the cost of market dealing for that Fund). In such circumstances the Net Asset Value of the relevant Fund may be adjusted by an amount (not exceeding 1.50%, or 3% in the case of fixed income Funds, of that Net Asset Value) which reflects the dealing costs that may be incurred by the Fund and the estimated bid/offer spread of the assets in which the Fund invests. In addition, the Directors may agree to include anticipated fiscal charges in the amount of the adjustment. These fiscal charges vary from market to market and are currently expected not to exceed 2.5% of that Net Asset Value. The adjustment will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Where a Fund invests substantially in government bonds or money market securities, the Directors may decide that it is not appropriate to make such an adjustment. Shareholders should note that due to adjustments being made to the Net Asset Value per Share, the volatility of a Fund's Net Asset Value per Share may not fully reflect the true performance of the Fund's underlying assets.

Redemption and Deferred Sales Charges

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

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

19.3 No CDSC will be levied on the redemption of (a) Class C Shares derived from reinvestment of dividends; or (b) Class C Shares in the Reserve Funds (provided they were not converted from Shares of a non-Reserve Fund).

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

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

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

The CDSC may be waived or reduced by the relevant distributor at its discretion or for shareholders who, after purchasing Class C Shares, become US Persons and are required to redeem their Shares as a result (see paragraph 4. above).

Conversion

20. The Articles allow the Directors on issuing new Share Classes to impose such rights of conversion as they determine, as described in paragraph 7. above. The basis of all conversions is related to the respective Net Asset Values per Share of the relevant Class of the two Funds concerned.

21. The Directors have determined that the number of Shares of the Class into which a shareholder wishes to convert his existing Shares will be calculated by dividing (a) the value of the number of Shares to be converted, calculated by reference to the Net Asset Value per Share by (b) the Net Asset Value per Share of the new Class. This calculation will be adjusted where appropriate by the inclusion of a conversion charge (see paragraph 22. below) or a delayed initial charge on Class A, Class D or Class E Shares (see paragraph 22. below). No conversion charge will be made when a delayed initial charge is payable. If applicable, the relevant exchange rate between the relevant Dealing Currencies of the Shares of the two Funds will be applied to the calculation.

The Net Asset Value(s) per Share used in this calculation may reflect any adjustment(s) to the Net Asset Value(s) of the relevant Fund(s) described in paragraph 18.3 above.

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

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

When Class A, Class D or Class E Shares of a Reserve Fund resulting from a direct investment into that or any other Reserve Fund ("direct Shares") are converted for the first time into Class A, Class D or Class E Shares of a non-Reserve Fund, a delayed initial charge of up to 5% of the price of the new Class A Shares or Class D Shares or up to 3% of the price of the new Class E Shares (where applicable) may be payable to the Management Company. Where a Reserve Fund holding includes both direct Shares and Shares acquired as a result of a conversion from Shares in any Fund other than a Reserve Fund ("ordinary Shares") a partial conversion of the holding will be treated as a conversion of the direct Shares first and then of the ordinary Shares.

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

Settlement on Redemptions

23. Payment of an amount to a single shareholder in excess of USD500,000 may be deferred for up to seven Business Days beyond the normal settlement date. The redemption price may be payable in specie as explained in paragraph 25. below. Failure to meet money laundering prevention or international financial sanctions requirements may result in the withholding of redemption proceeds. The Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding eight Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control requirements or similar constraints in the markets in which a substantial part of the assets of the Company are invested or in exceptional circumstances where the liquidity of the Company is not sufficient to meet the redemption requests.

In Specie Applications and Redemptions

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

25. The Management Company may, subject to the prior consent of a shareholder and to the minimum dealing and holding amounts, effect a payment of redemption proceeds in specie by allocating to the shareholder investments from the portfolio of the relevant Fund equal in value (calculated in the manner referred to in paragraphs 14. to 16. above) to the price of the relevant Shares to be redeemed (net of any applicable CDSC in the case of Class C Shares). The nature and type of asset to be transferred in such case will be determined on an equitable basis and without prejudicing the interests of the other holders of Shares of the same Class, and will be valued on the relevant Dealing Day. In accordance with Luxembourg law, such valuation may be subject to a special report of the Auditor. In specie applications and redemptions may attract transaction taxes depending on the assets in question. In the case of an in specie redemption these taxes will be at the charge of the investor. Investors should inform themselves of, and when appropriate consult their professional advisers on the possible tax consequences of redeeming their shareholding in this way, under the laws of their country of citizenship, residence or domicile. Investors should note that the levels and bases of, and relief from, taxation can change.

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

Dealings in Shares by the Principal Distributor

26. The Principal Distributor, may as principal acquire and hold Shares and may at its sole discretion satisfy, in whole or in part, an application or request for the issue, redemption or conversion of such Shares by selling Shares to and/or buying them from the applicant, as appropriate, provided that the applicant consents to such transaction. Shareholders will be deemed to have consented to deal with the Principal Distributor unless they have expressly informed the Transfer Agent or the local Investor Servicing teams to the contrary. Any such transaction will be effected on the same terms as to price and settlement as would have applied in the case of a corresponding issue, redemption or conversion of Shares (as relevant) by the Company. The Principal Distributor is entitled to retain any benefit arising from these transactions.

Default in Settlement

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

In computing any losses covered under this paragraph 27., account shall be taken, where appropriate, of any movement in the price of the Shares concerned between the transaction date and cancellation of the transaction or redemption of the Shares, and of the costs incurred by the Company or, if applicable, the Principal Distributor in taking proceedings against the applicant.

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

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

Compulsory Redemption

28. If at any time the Net Asset Value of the Company is less than USD100 million (or equivalent), all Shares not previously redeemed may be redeemed by notice to all shareholders. There is a similar power to redeem Shares of any Class if the Net Asset Value of the Fund to which that Class is linked falls below USD50

million (or equivalent), or in the circumstances described in paragraphs 3., 4. and 9. above.

Limits on Redemption and Conversion

29. The Company will not be bound to redeem or convert on any one Dealing Day more than 10% of the value of Shares of all Classes of a Fund then in issue or deemed to be in issue, as described in paragraph 32. below.

Suspension and Deferrals

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

- the closure (otherwise than for ordinary holidays) of or suspension or restriction of trading on any stock exchange or market on which are quoted a substantial proportion of the investments held in that Fund;
- the existence of any state of affairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Company attributable to Share Classes would be impracticable;
- any breakdown in the means of communication normally employed in determining the price or value of any of the investments of such Share Classes or the current price or values on any stock exchange or other market;
- any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of shares cannot in the opinion of the directors be effected at normal rates of exchange;
- any period when the net asset value per share of any subsidiary of the Company may not be accurately determined;
- where notice has been given or a resolution passed for the closure or merger of a Fund as explained in paragraph 9.;
- in respect of a suspension of the issuing of Shares only, any period when notice of winding up of the Company as a whole has been given;
- in addition, in respect of Funds that invest a substantial amount of assets outside the European Union, the Management Company may also take into account whether local relevant local exchanges are open and may elect to treat such closures (including ordinary holidays) as non Business Days for those Funds. Please see definition of Business Day in the Glossary.

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

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

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

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

Transfers

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

Probate

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

Dividends

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

Changes of Policy or Practice

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

Intermediary Arrangements

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

Appendix C – Additional Information

History of the Company

1. The Company is registered under Number B.6317 at the Register of Commerce and Companies of Luxembourg where its Articles of Association are available for inspection and where copies thereof may be obtained upon request (and see also paragraph 38. below).

2. The Company's constitution is defined in the Articles. The original Articles were published in the Recueil des Sociétés et Associations du Mémorial (the "Mémorial") of the Grand-Duchy of Luxembourg on 21st July 1962. The Articles have been amended and restated several times, most recently on 27 May 2011, effective 31 May 2011, with publication in the Mémorial on 24 June 2011.

3. The Company was incorporated as Selected Risk Investments S.A. on 14th June 1962.

4. With effect from 31st December 1985 the name of the Company was changed to Mercury Selected Trust, the Company adopted the legal status of a société d'investissement à capital variable (SICAV) and was reconstituted to enable it to issue different Share Classes. It qualifies as an Undertaking for Collective Investment in Transferable Securities.

   With effect from 1 July 2002 the name of the Company changed to Merrill Lynch International Investment Funds.

   With effect from 28 April 2008 the name of the Company changed to BlackRock Global Funds.

   With effect from 16 September 2005 the Company was submitted to Part I of the 20 December 2002 law that implemented Directives 2001/107/EC and 2001/108/EC.

   With effect from 16 September 2005 the Company has appointed BlackRock (Luxembourg) S.A. (previously named Merrill Lynch Investment Managers (Luxembourg) S.A.) as its management company.

5. As from the date of this Prospectus, Shares are offered solely on the basis of this Prospectus, which supersedes all previous versions.

Directors' Remuneration and Other Benefits

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

Auditor

7. The Company's auditor is PricewaterhouseCoopers of 2, rue Gerhard Mercator, L-2182 Luxembourg.

Administrative Organisation

8. **The Investment Advisers and Sub-Advisers**
   The Management Company is entitled to delegate its investment management functions to any of its subsidiaries or associates and any other person. The Management Company has delegated some functions to the Investment Advisers, BlackRock Financial Management, Inc., BlackRock Investment Management, LLC, BlackRock Investment Management (UK) Limited and BlackRock (Singapore) Limited as described in the section "Investment Management of the Funds", "Management".

   In the case of certain Funds, BlackRock Investment Management (UK) Limited has in turn sub-delegated some functions to BlackRock Japan Co., Ltd. whose registered office is at 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217, Japan, BAMNA whose registered office is at 16/F Cheung Kong Centre 2 Queen's Road Central Hong Kong and to BlackRock Investment Management (Australia) Limited of Level 18, 120 Collins Street, Melbourne 3000, Australia. BlackRock Financial Management, Inc. has sub-delegated some functions to BlackRock Investment Management (Australia) Limited of Level 18, 120 Collins Street, Melbourne 3000, Australia, BlackRock Investment Management (UK) Limited.

   DSP BlackRock Investment Managers Private Limited ("DSPBIM") provides non-binding investment advice to the Subsidiary, BlackRock India Equities (Mauritius) Limited. DSPBIM is duly registered with the SEBI as an asset management company to DSP BlackRock Mutual Fund. DSPBIM is one of India's leading asset management companies and offers investors a broad range of investment options across various asset classes and risk parameters. DSPBIM also offers Portfolio Management Services and Offshore Advisory Services. DSPBIM began operations in 1997, and as at 31 July 2012, had assets under management/advice of approximately USD 6.95 billion (including domestic asset management and offshore advisory).

   The Subsidiary is registered as a sub-account of BlackRock Investment Management (UK) Limited which is an entity registered as a Foreign Institutional Investor with the Securities and Exchange Board of India under the SEBI (Foreign Institutional Investors) Regulations, 1995 and invests in India under applicable regulations. The Subsidiary and BlackRock Investment Management (UK) Limited are deemed Foreign Portfolio Investors under the SEBI (Foreign Portfolio Investors) Regulations), 2014.

   BlackRock Advisors Singapore Private Limited owns a 40% stake in DSPBIM.

   Information about the Investment Advisers and, if applicable, Sub-Advisers for a specific Fund is available upon request from the Company's registered office and the local Investor Servicing team.

9. **The Principal Distributor**
   BlackRock Investment Management (UK) Limited is the Principal Distributor and was incorporated with limited liability in England on 16th May 1986 for an unlimited period. The directors of the Principal Distributor are: D J Blumer, N J Charrington, E J de Freitas, J E Fishwick, N C D Hall, P M Olson, C R Thomson, R M Webb, and M A Young. The Management Company has entered into an agreement with the Principal Distributor for the provision of distribution, promotion and marketing services.

   The registered office of the Principal Distributor is at 12 Throgmorton Avenue, London EC2N 2DL, UK. The Principal Distributor is regulated by the Financial Conduct Authority.

   The Principal Distributor has appointed BlackRock (Channel Islands) Limited, a company incorporated with limited liability in Jersey on 10th August 1972 for an unlimited period ("BCI") to carry out certain administration services. The directors of BCI are: G D Bamping, E A Bellew, F P Le Feuvre, D Hellen, and D McSporran. The registered office of BCI is at One Waverley Place, 4th Floor, Union Street, St. Helier, Jersey JE1 0BR, Channel Islands.

10. **Investor Servicing**
    The Management Company has entered into an Agreement with

various BlackRock Group companies for the provision of dealing facilities and related investor support functions.

11. **The Depositary**

The Company has entered into a Custodian Agreement with the Depositary whereby the Depositary has agreed to act as custodian of the assets of the Company and to assume the functions and responsibilities of a custodian under the 2010 Law and other applicable law. The Depositary will also act as depositary of the Company for the purposes of the UCITS Directive. The Depositary and Fund Accountant (see paragraph 12. below) is The Bank of New York Mellon (International) Limited, Luxembourg Branch. Its office is at 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. The Bank of New York Mellon (International) Limited was incorporated with limited liability in England on 9th August 1996 with an issued and fully paid up share capital of £200 million. Its registered office is One Canada Square, London E14 5AL and its ultimate holding company is The Bank of New York Company, Inc. ("BNY") which is incorporated in the United States of America. The Depositary's and the Fund Accountant's principal business activity is the provision of custodial and investment administration services and treasury dealing.

The Duties of the Depositary

The Depositary shall act as the depositary of the Funds for the purposes of the UCITS Directive and, in doing so, will comply with the provisions of the UCITS Directive. In this capacity, the Depositary's duties shall include, amongst others, the following:

11.1 ensuring that each Fund's cash flows are properly monitored, and that all payments made by or on behalf of shareholders upon the subscription of units of the Funds have been received;

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

11.3 ensuring that the sale, issue, re-purchase, redemption and cancellation of units of each Fund are carried out in accordance with the applicable national law and the Articles;

11.4 ensuring that the value of the units of each Fund is calculated in accordance with the applicable national law and the Articles;

11.5 carrying out the instructions of the Management Company, unless they conflict with the applicable national law or the Articles;

11.6 ensuring that in transactions involving each Fund's assets any consideration is remitted to the relevant Fund within the usual time limits; and

11.7 ensuring that the Funds' income is applied in accordance with the applicable national law.

The Depositary will further ensure, in accordance with the requirements of the UCITS Directive, that the assets of the Funds held in custody by the Depositary shall not be reused by the Depositary or by any third party to whom the custody function has been delegated for their own account. Reuse comprises any transaction of assets of the Funds held in custody including, but not limited to, transferring, pledging, selling and lending. Assets of the Funds held in custody are only allowed to be reused where:

a) the reuse of the assets is executed for the account of the Funds;

b) the Depositary is carrying out the instructions of the Management Company;

c) the reuse is for the benefit of the Fund and in the interest of the shareholders; and

d) the transaction is covered by high quality and liquid collateral received by the Fund under a title transfer arrangement with a market value at all times at least equivalent to the market value of the reused assets plus a premium.

The Depositary has entered into written agreements delegating the performance of its Safekeeping Function in respect of certain investments to the delegates listed in Appendix F.

As part of the normal course of global custody business, the Depositary may from time to time have entered into arrangements with other clients, funds or other third parties, including affiliates for the provision of safekeeping and related services and as a result, potential conflict of interest situations may, from time to time, arise between the Depositary and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to a fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the funds e.g. foreign exchange, securities lending, pricing or valuation services.

The Depositary also has in place policies and procedures in relation to the management of conflicts of interest between the Depositary, the Fund and the Management Company that may arise where a group link as defined in the applicable regulations exists between them. This may be the case where the Management Company has delegated certain administrative functions to an entity within the same corporate group as the Depositary.

In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will at all times have regard to its obligations under applicable laws. Additionally, in order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, with the aim of:

a) identifying and analysing potential situations of conflicts of interest;

b) recording, managing and monitoring the conflict of interest situations by:

- relying on permanent measures to address conflicts of interest such as maintaining separate legal entities, segregating duties, separating reporting lines and maintaining insider lists for staff members; or

- implementing appropriate procedures on a case-by-case basis, such as establishing new information barriers, ensuring that operations are carried out at arm's length and/or informing the concerned shareholders of the Company.

The Depositary has established a functional and hierarchical separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the Company

Up-to-date information on the Depositary, its duties, any conflicts of interest that may arise, the safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such delegations will be made available to shareholders on request.

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

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

14. **Relationship of Depositary and Fund Accountant with BlackRock Group**
The Depositary's and Fund Accountant's associates provide custody and fund accounting services to BlackRock Investment Management (UK) Limited and some of its associates in respect of their investment management business generally. Under agreements between companies in the BNY group and some companies in the BlackRock Group relating to the provision of these services, payments due from the relevant companies in the BlackRock Group to BNY companies will be abated by the fees paid by the Company to the Depositary and Fund Accountant in respect of depositary and fund accounting services.

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

Austria
Raiffeisen Bank International AG
Am Stadtpark 9
1030 Vienna

Belgium
J.P. Morgan Chase Bank, Brussels Branch
1 Boulevard du Roi Albert II
Brussels
B1210-Belgium

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

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

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

RBC Investor Service Bank S.A.
Succursale di Milano
Via Vittor Pisani, 26
I-20121 Milan

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

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

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

Banca Sella Holding S.p.A.
Piazza Gaudenzio Sella 1
13900 Biella

Poland
Bank Handlowy w Warszawie S.A.
ul. Senatorska 16
00-923 Warsaw

Switzerland
State Street Bank GmBH
Munich, Zurich branch,
Beethovenstrasse 19,
CH-8027 Zurich

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

16. **The Subsidiary**
The India Fund may invest into securities through its subsidiary, BlackRock India Equities (Mauritius) Limited (the "Subsidiary"). The Subsidiary is incorporated as a private company, limited by shares. The Subsidiary holds a Category 1 Global Business Licence for the purpose of the Financial Services Act 2007 and is regulated by the Financial Services Commission, Mauritius ("FSC"). The Subsidiary will invest in Indian securities. It must be understood that in giving this authorisation, the FSC does not vouch for the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Subsidiary. Investors in the Subsidiary are not protected by any statutory compensation arrangements in Mauritius in the event of the Subsidiary's failure.

The Subsidiary was incorporated on 1 September 2004, and has an unlimited life. It is a wholly owned subsidiary of the Company. The Subsidiary is registered with the Registrar of Companies, Mauritius, and bears file number 52463 C1/GBL. The Constitution is available for inspection at the registered office of the Subsidiary.

The stated capital of the Subsidiary is capped at USD 5,000,000,100 and is divided into 100 management shares of nominal value USD1.00 each, which are issued to the Company; 4,000,000,000 class A redeemable participating shares of nominal value USD1.00 each of which may be issued as A shares ("A Shares"), which may only be issued to the Company; and 1,000,000,000 redeemable participating shares of nominal value USD1.00 each of which may be issued to the Company in such classes of participating shares as the directors may determine with such preferred or qualified or other special rights or restrictions whether in regard to voting, dividend, return of capital or otherwise. Additional Share Classes may be issued to the Company at a later stage in accordance with the Subsidiary's Constitution. The Subsidiary issues registered shares only.

The directors of the Subsidiary may for efficient management authorise a committee of directors to issue participating shares of the Subsidiary on such terms as approved by the directors.

The business and affairs of the Subsidiary are managed by the directors. The directors of the Subsidiary are Mr. Nicholas Hall, Mr. Frank Le Feuvre and Mr. Geoffrey Radcliffe, as non-resident directors and Mr. Couldip Basanta Lala and Mr. Kapildeo Joory as resident directors. At any time, the directors of the Subsidiary will comprise a majority of directors who are also Directors of the Company. The directors are responsible, inter alia, for establishing the investment objectives and policy of the Subsidiary and for monitoring the Subsidiary's investments and performance.

The Subsidiary carries out exclusively activities relating to the Company.

The Subsidiary complies with the investment restrictions of the Company.

The Subsidiary has appointed BlackRock Investment Management (UK) Limited as its investment manager and DSP BlackRock Investment Managers Private Limited to act as its Indian Investment Adviser.

International Financial Services Limited ("IFSL"), Mauritius has been appointed by the Subsidiary as its administrator and secretary (the "Mauritian Administrator"). IFSL is a leading management company incorporated in Mauritius and licensed by the Financial Services Commission (FSC) to provide advisory and management services for global business licence companies.

The Mauritian Administrator carries on the general administration of the Subsidiary, keeps or causes to be kept the accounts of the Subsidiary and such financial books and records as are required by law or otherwise for the proper conduct of its financial affairs. The net asset value per share, the subscription price and the redemption price are calculated on each valuation day in accordance with the constitution of the Subsidiary.

The Mauritian Administrator convenes meetings of the directors, keeps the statutory books and records of the Subsidiary, maintains the register of shareholders and makes all returns required to be made by the Subsidiary under the laws of Mauritius. The Mauritian Administrator is responsible for all tax filings in Mauritius relating to the Subsidiary.

The Subsidiary has also entered into the Custodian Agreement with the Depositary and the Company whereby the Depositary has agreed to act as custodian of the assets of the Subsidiary and the Company.

The Subsidiary has appointed the Mauritian Auditor as auditor of the Subsidiary in Mauritius to perform the auditor's duties required by Mauritius law. The Company and the Subsidiary issue consolidated accounts. All assets and liabilities, income and expenses of the Subsidiary are consolidated in the statement of net assets and operations of the Company. All investments held by the Subsidiary are disclosed in the accounts of the Company. All cash, securities and other assets of the Subsidiary are held by the Depositary on behalf of the Company in accordance with applicable law and regulation.

Indian Investment Adviser to the Subsidiary
DSP BlackRock Investment Managers Private Limited
Mafatlal Chambers, 10th Floor, Nariman Point,
Mumbai – 400 021, India

Mauritian Auditor to the Subsidiary
PricewaterhouseCoopers
18, Cybercity, Ebene, Mauritius

Mauritian Administrator to the Subsidiary
International Financial Services Limited
IFS Court, TwentyEight, Cybercity, Ebene, Mauritius

17. **Taxation of the Subsidiary and the India Fund**

Applicability of beneficial treatment of capital gains under the Treaty
On the basis that the Subsidiary will be a tax resident in Mauritius, holding a valid certificate of tax residence, will be effectively managed from Mauritius and will not have a permanent establishment in India and on the basis that no part of any investment and or arrangement (or any step or part thereof) is declared to be an impermissible avoidance arrangement under the GAAR provisions, any capital gains earned by the Subsidiary on transfer of Indian securities should not be liable to tax in India in accordance with the provisions of the Treaty. However, there can be no assurance that any future changes to the Treaty or future interpretations or renegotiations thereof will not adversely affect the tax position of the Mauritius Subsidiary's investments in India. If the Treaty is interpreted, amended, terminated, renegotiated; the details of which are pending further authoritative guidance, in a manner that would adversely affect the tax position in India of the Mauritius Subsidiary, such an interpretation, amendment, renegotiation may cause the Subsidiary to incur capital gains tax in India and reduce the net asset value of the Subsidiary. Any impact on the net asset value of the Subsidiary will have a consequent adverse effect on the Net Asset Value of the India Fund.

General Anti Avoidance Rule (GAAR)
The GAAR provisions enacted in 2015, but with deferred effect from 1 April 2017, empower the Indian Revenue authorities to declare an arrangement to be an impermissible avoidance arrangement if the main purpose of the arrangement (or a step in or a part of the arrangement) is to obtain a tax benefit and if the arrangement satisfies at least one of the four specified tests.

In an event where any arrangement or a part of an arrangement of making investments in Indian securities is declared as an impermissible avoidance arrangement, the GAAR provisions would override the provisions of the Treaty (even if such provisions are not beneficial to the Subsidiary) and may cause the Subsidiary to incur capital gains tax in India and reduce the net asset value of the Subsidiary. Any impact on the net asset value of the Subsidiary will have a consequent adverse effect on the Net Asset Value of the India Fund.

Transfer of interests in the Subsidiary and the India Fund
Section 9 of the Indian Income Tax Act (applicable with retrospective effect from April 1, 1961) provides, inter alia, that an asset or a capital asset being any share or interest in a company or entity registered or incorporated outside India shall be deemed to be situated in India if the share or interest derives, directly or indirectly, its value substantially from the asset or capital asset located in India. Consequently, the gains or losses from the transfer of such asset or capital asset (being any share or interest in a company outside India) would be deemed to be gains or losses accruing or arising in India in the hands of the non-resident transferor.

The above provisions, if they were in fact to be applied to portfolio investment structures, could result in any transfer/ redemption of interest in the Subsidiary by the India Fund or distributions made by the Subsidiary to the India Fund being subject to tax in India which would have a consequent adverse effect on the Net Asset Value of the India Fund. Further, the above provisions, as enacted, could also result in any transfer/ redemption of Shares of the India Fund by its investors or distributions made by the India Fund to its investors being subject to tax in India. Such income or gains, if deemed taxable in India, may be subject to relief from taxation as available under any applicable double taxation avoidance agreement (unless GAAR provisions are invoked).

To examine the applicability of the indirect transfer provisions, the Prime Minister of India had constituted an Expert Committee. While the Expert Committee in its draft report on the indirect transfer provisions has provided certain recommendations addressing the concerns of FIIs, the Indian Government has made no formal commitment to address such concerns and there can be no assurance that this will occur.

Fees, Charges and Expenses

18. The Management Company is remunerated from the management fees based on the Net Asset Value of each Fund, at an annual rate as shown in Appendix E.

19. The Depositary receives annual fees, based on the value of securities, which accrue daily, plus transaction fees. The annual custody safekeeping fees range from 0.0024% to 0.45% per annum and the transaction fees range from USD5.5 to USD124 per transaction. The rates for both categories of fees will vary according to the country of investment and, in some cases, according to asset class. Investments in bonds and developed equity markets will be at the lower end of these ranges, while some investments in emerging or developing markets will be at the upper end. Thus the custody cost to each Fund will depend on its asset allocation at any time.

    The Company pays an Administration Fee to the Management Company of up to 0.25% per annum. The level of Administration Fee may vary at the Directors' discretion, as agreed with the Management Company, across Funds and Share Classes. It is accrued daily, based on the Net Asset Value of the relevant Share Class and paid monthly. The Administration Fee is used by the Management Company to meet all fixed and variable operating and administrative costs and expenses incurred by the Company, with the exception of the Depositary fees, Distribution fees, Securities Lending fees, and any legal costs relating to European Union withholding tax reclaims plus any taxes thereon and any taxes at an investment or Company level. In addition taxes payable by the Company such as subscription taxes remain payable by the Company. The Administration Fee shall not exceed 0.25% per annum and any costs and expenses in excess shall be borne by the Management Company or another BlackRock Group Company. For further details, please refer to the "Administration Fee" section in the section entitled "Fees, Charges and Expenses" for further information.

20. The Principal Distributor is entitled to receive:

    - the initial charge of up to 5% of the price of the Class A Shares and Class D Shares issued, where levied;
    - the initial charge of up to 3% of the Net Asset Value of the Class E Shares issued, where applicable and levied;
    - the CDSC on redemptions;
    - any delayed initial charge on Class A or Class E Shares, respectively;
    - the Management Company's charge on excessively frequent conversions of any Share Class (see paragraph 22. of Appendix B); and
    - any distribution fees.

21. Subject to the approval of the Directors, the combined management fee and Administration Fee for any Fund may be increased up to a maximum of 2.25% in total by giving shareholders at least three months' prior notice. Any increase to the combined management fee and Administration Fee above this level would require approval of shareholders at an extraordinary general meeting. At least one month's notice will be given to shareholders of any increase in the rates of other fees and charges specified in this Prospectus, unless prior shareholder consent is required under the Company's Articles when at least one month's notice will be given from the date of such consent.

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

    Rebates of any management fee or distribution fee will not exceed the amount of the management fee or distribution fee for each Fund as set out in Appendix E and will vary depending on the share class concerned, for instance, in respect of Class A Shares the average rebate will not exceed 45% of these fees although may be higher in respect of share classes which are available to certain distributors only. Rebates are not available for all share classes.

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

    As a result of the UK Regulator's Retail Distribution Review, neither the Management Company nor the Principal Distributor will be 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.

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

24. The operating costs of the Subsidiary including the fees for the Mauritian Administrator, estimated at approximately USD50,000 to USD60,000 per year excluding disbursements and the fees of unaffiliated Directors, are borne by the Subsidiary.

25. The India Fund was launched upon its merger with the Merrill Lynch Specialist Investment Funds – India Fund and the unamortised expenses of that fund of USD120,241.50 were carried over to the India Fund as part of the merger process.

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

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

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

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

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

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

29.1 undertakes business for other clients;

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

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

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

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

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

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

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

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

services provided by the broker-dealer and will not be paid by that BlackRock Group company.

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

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

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

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

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

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

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

34. For investments in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company itself or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or voting rights, no management, subscription or redemption fees may be charged to the Company on its investment in the units of such other UCITS and/or other UCIs.

35. Companies of the BlackRock Group which provide investment advisory services to the Funds, other UCITS and/or other UCIs, may also cause the Funds through those investment services, other UCITS and/or other UCIs to seed other products (including the Funds) sponsored or managed by the BlackRock Group.

36. With reference to Paragraph 3.5 of Appendix A, the Company has appointed BlackRock Advisors (UK) Limited as securities lending agent which in turn may sub-delegate the provision of securities lending agency services to other BlackRock Group companies. BlackRock Advisors (UK) Limited has the discretion to arrange stock loans with highly rated specialist financial institutions (the "counterparties"). Such counterparties can include associates of BlackRock Advisors (UK) Limited. Collateral is marked to market on a daily basis and stock loans are repayable upon demand. At the cost of the Company, BlackRock Advisors (UK) Limited receives remuneration in relation to its activities above. Such remuneration shall not exceed 37.5% of the net revenue from the activities.

Conflicts of Interest and Relationships between the BlackRock Group and its Service Providers

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

Statutory and Other Information

38. Copies of the following documents (together with a certified translation thereof where relevant) are available for inspection during usual business hours on any weekday (Saturdays and Public Holidays excepted) at the registered office of the Company and at the offices of BlackRock (Luxembourg) S.A., 35A, avenue J.F. Kennedy, L-1855,Luxembourg:

38.1 the Articles of Association of the Company; and

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

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

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

Appendix D – Authorised Status

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

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

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

Please note:

- investment in the Company can be subject to investment risk, including possible delays in repayment and loss of income and principal invested; and
- unless otherwise specified in this Prospectus, no guarantee is provided by the Company in relation to the success of the Company or the achievement of a particular rate or return on income or capital.

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

Austria
The Company has notified the Financial Market Authority of its intention to distribute its Shares in Austria pursuant to Article 140 para 1 of the Investment Fund Act 2011 (InvFG 2011). This Prospectus is available in a German language version, which includes additional information for Austrian investors. The KIIDs are also available in German.

Bahrain
In order to offer a Collective Investment Undertaking ("CIU") in Bahrain, the Central Bank of Bahrain ("CBB") approval is required to be obtained according to the CIU Module of CBB's Rulebook Volume 6, effective from 1st of June, 2007. This applies to any fund that is not currently under the existing list of approved funds in accordance with the CIU List.

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

Brunei
The Principal Distributor has appointed local distributors for distribution of the Shares of the Company in Brunei. Such Brunei distributors hold Capital Market Services Licences to distribute Shares of the Company pursuant to Section 156 of the Securities Market Order 2013. Shares in the Company may only be publicly distributed in Brunei by a person or entity licensed to sell investments or offerings in accordance with the Securities Market Order, 2013.

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

Denmark
Approval has been granted to the Company by the Danish Financial Supervisory Authority (Finanstilsynet) in accordance with Section 18 of the Danish Act on Investment Associations Etc. (Consolidation Act no. 333 of 20 March 2013) to market its Shares to retail investors and professional investors in Denmark. The KIIDs for the Funds approved for marketing in Denmark are available in Danish.

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

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

The attention of investors is drawn to the fact that the European Fund, European Value Fund, European Special Situations Fund, Euro-Markets Fund and European Focus Fund are eligible to be held within the framework of a share savings plan ("plan d'épargne en actions" or "PEA") in France. In this context, the Company undertakes, pursuant to Article 91 quarter L of Annex II to the General Tax Code, that the above referenced Funds will invest on a permanent basis at least 75% of their assets in securities or rights listed in (a) or (b) of I, 1° of Article L.221-31 of the Monetary and Financial Code.

The PEA eligibility of these Funds results from, to the best knowledge of the Company, tax law and practices in force in France as at the date of this Appendix. Such tax law and practices may change from time to time and, therefore, the Funds which may currently be held within the framework of a PEA could lose their PEA eligibility. Further the Funds could lose their PEA eligibility due to changes impacting their investment universe or benchmark index. In such circumstances, investors will be informed by the publication of a notice on the website of the Company. In such a case, the investors should seek professional tax and financial advice."

Germany
The German Federal Financial Supervisory Authority has been notified of the intention to distribute certain Funds of the Company in the Federal Republic of Germany pursuant to § 310 German Capital Investment Act. The German language prospectus contains additional information for investors in the Federal Republic of Germany.

Gibraltar
The Company is a UCITS scheme which has been recognised by the Gibraltar Financial Services Commission in accordance with Section 34 & 35 of the Financial Services (Collective Investment Schemes) Act 2011 as a UCITS scheme which complies with the requirements of the Financial Services (Collective Investment Schemes) Regulations 2011 for the recognition of such schemes in Gibraltar. By virtue of such recognition by the Gibraltar Financial Services Commission, the Company may market its Shares in Gibraltar.

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

Hong Kong
The Company is authorised as a collective investment scheme by the SFC. The SFC's authorisation is not a recommendation or endorsement of the Company nor does it guarantee the commercial merits of the Company or its performance. It does not mean the Company is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. This Prospectus is available for Hong Kong residents in both English and Chinese. Please note that not all of the Funds are available for distribution in Hong Kong and investors should read this Prospectus in conjunction with the Information for Residents of Hong Kong ("IRHK"), which contains additional information for Hong Kong residents. The Company's representative in Hong Kong is BAMNA.

Hungary
The Hungarian Financial Supervisory Authority authorized the Hungarian distribution of the Company's Shares pursuant to Section 288 (1) of the Hungarian Act CXX of 2001 on the Capital Market on 16 April 2007.

The distribution of the Shares issued by the Funds of the Company that had been launched subsequent to 1 January 2012 was authorized by the Commission de Surveillance du Secteur Financier (CSSF) of Luxembourg and this license was passported to Hungary in accordance with Section 98 of the Hungarian Act CXCIII of 2011 on Investment Management Firms and the Collective Forms of Investment.

The distribution of the Shares issued by the Funds of the Company that had been launched subsequent to 15 March 2014 was authorized by the CSSF and this license was passported to Hungary in accordance with Section 119 of the Hungarian Act XVI of 2014 on the Collective Forms of Investments and Their Managers.

The KIIDs for all of the Company's Shares are also available to investors in a Hungarian language version.

Iceland
The Company has notified the Icelandic Financial Supervisory Authority (*Fjarmalaeftirlitid*) in accordance with the provisions of the Act No. 128/2011 on Undertakings for Collective Investment in Transferable Securities (UCITS) Investment Funds and Institutional Investment Funds regarding the offering of foreign UCITS-funds for sale in Iceland. By virtue of a confirmation from the Icelandic Financial Supervisory Authority, the following funds may be offered for sale in Iceland:

Asian Dragon Fund
Emerging Markets Local Currency Bond Fund
Global Allocation Fund
Global Opportunities Fund
New Energy Fund
Pacific Equity Fund
World Gold Fund
Euro-Markets Fund
Emerging Europe Fund
Emerging Markets Fund
US Dollar Reserve Fund
Global High Yield Bond Fund
World Healthscience Fund
World Financials Fund
European Fund
Japan Small and Midcap Opportunities Fund
US Growth Fund
Continental European Flexible Fund
Global Dynamic Equity Fund
Euro Short Duration Bond Fund
Euro Bond Fund
Global Government Bond Fund
World Bond Fund
US Government Mortgage Fund

According to Article 13 e in Act No. 87/1992, as amended with Act no. 127/2011, Icelandic investors are prohibited from investing in securities, unit shares of UCITS and/or investment funds, money market instruments or other transferable financial instruments denominated in other currencies than Icelandic krona (ISK). However, parties that have invested in such financial instruments prior to 28 November 2008 are permitted to reinvest. Investors can apply for an exemption from these provisions.

The Company's local distributor in Iceland is responsible for arranging for all necessary information to be available for Icelandic retail investors, in accordance with the Act No. 128/2011 on Undertakings for Collective Investment in Transferable Securities (UCITS), Investment Funds and Institutional Investment Funds, as amended.

Ireland
The Management Company has notified the Central Bank of Ireland of its intention to publicly distribute Shares in certain Funds in Ireland. BNY Mellon Fund Services Ireland Limited will perform the services of facilities agent in Ireland. Documentation relating to the Company can be inspected at BNY Mellon Fund Services Ireland Limited's offices at Guild House, Guild Street, IFSC, Dublin 1, Ireland during normal business hours and copies of the documentation can be obtained from them if required. BNY Mellon Fund Services Ireland Limited will also forward any redemption or dividend payment requests or any complaints relating to the Company to the Transfer Agent.

Italy
The Company has notified the intention to market in Italy certain Funds pursuant to article 42 of Legislative Decree no. 58 of 24 February 1998 and implementing regulations. The offering of the Funds can only be carried out by the appointed distributors indicated in the list referred to in the Italian wrapper (Subscription Form) in accordance with the procedures indicated therein. A shareholder who makes a subscription or a redemption of Shares through the local Paying Agent or other entities responsible for processing Share transactions in Italy may be charged with the expenses linked to the activity carried out by such entities. In Italy, additional expenses incurred by the Italian Paying

Agent(s) or other entities responsible for processing Share transactions for and on behalf of Italian shareholders (for example for the cost of foreign exchange dealing and for intermediation in payments) may be charged to those shareholders directly. Further details of any such additional charges will be provided in the Subscription Form for Italy. Investors in Italy may confer on the Italian Paying Agent a specific mandate empowering the latter to act in its own name and on behalf of the same investors. Under this mandate, the Italian Paying Agent in its own name and on behalf of the investors in Italy shall (i) transmit in aggregated form to the Company subscription/redemption/conversion orders; (ii) hold the Shares in the register of shareholders of the Company and (iii) carry out any other administrative activity under the investment contract. Further details of such mandate will be provided in the subscription form for Italy.

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

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

Korea
For distribution and offering of the Shares in the Company to the public in Korea. The Company has been registered with the Financial Services Commission (the "FSC") and the securities registration statement (as defined under the Financial Investment Services and Capital Market Act of Korea (the "FSCMA")) has been filed with the FSC in accordance with the FSCMA.

Macau
Authorisation is given by the Autoridade Monetaria De Macau ("AMCM") for the advertising and marketing the Company and certain registered Funds in Macau in accordance with Article 61 and 62 of Decree Law No. 83/99/M of 22 November 1999. Such advertising and marketing is undertaken by distributors duly licensed and registered with AMCM. This Prospectus is available to Macau residents in both English and Chinese.

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

Norway
The Company has notified the Financial Supervisory Authority of Norway (Finanstilsynet) in accordance with applicable Norwegian Securities Funds legislation. By virtue of a confirmation letter from the Financial Supervisory Authority of Norway dated 5 March 2001 the Company may market and sell its Shares in Norway.

PRC
The Company's interests are not being offered or sold and may not be offered or sold, directly or indirectly within the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities and funds laws of the PRC.

Peru
The Shares of the Company will not be registered before the Superintendencia del Mercado de Valores (SMV) in Peru, nor under Decreto Legislativo 862: Texto Unico Ordenado de la Ley del Mercado de Valores, as amended. Moreover, the SMV has not reviewed the information provided to the institutional investor. The Shares may only be offered and sold to institutional investors pursuant to a private placement. The Company has obtained registration in Peru of certain Funds with the Superintendencia de Banca, Seguros y AFP pursuant to Decreto Supremo 054-97-EF Texto Unico Ordenado de la Ley del Sistema Privado del Fondo de Pensiones, as amended, and the rules and regulations enacted thereunder which will allow Peruvian Private Pension Fund Managers (AFP) to acquire shares of such registered Funds.

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

Portugal
In Portugal, notification has been made to the Comissão do Mercado dos Valores Mobiliários for marketing of certain Funds by several distributors with whom the Principal Distributor has entered into distribution agreements, pursuant to Directive 2009/65/EC on undertakings for collective investment in transferable securities (UCITS), as implemented in Portugal by Decree-Law 63-A/2013, of 10 May (according to the list of Funds contained in the respective notification procedure).

Saudi Arabia
This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations. The Company accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. The Saudi Arabian Capital Market Authority does not take any responsibility for the contents of this document, does not make any representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the mutual fund's units offered hereby should conduct their own due diligence on the accuracy of the information relating to the mutual fund.

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

In addition, certain Sub-Funds of the Company (including some of the Restricted Sub-Funds), have also been recognised in Singapore for retail distribution (the "Recognised Sub-Funds"). Please refer to the Singapore prospectus (which has been registered by the MAS) relating to the retail offer of the Recognised Sub-Funds for the list of Sub-Funds which are Recognised Sub-Funds. The registered Singapore prospectus may be obtained from the relevant appointed distributors.

A restricted offer or invitation of the shares (the "Shares") of each Restricted Sub-Fund is the subject of this Prospectus. Save for the

Restricted Sub-Funds which are also Recognised Sub-Funds, the Restricted Sub-Funds are not authorised or recognised by the MAS and the Shares are not allowed to be offered to the retail public in Singapore. A concurrent restricted offer of Shares of each Recognised Sub-Fund is made under and in reliance of Sections 304 and/or 305 (including sub-section 305(3)(c)) of the SFA. The offer or invitation of the Shares of the Restricted Sub-Funds is regulated by the CSSF under the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended, modified or supplemented from time to time. The contact details of the CSSF are as follows: Telephone: +352 26-251-1 (switchboard) Fax: +352 26-251-601. The Bank of New York Mellon (International) Limited, Luxembourg Branch, being the custodian of the Restricted Sub-Funds, is regulated by the CSSF. Investors in Singapore should note that if they wish to obtain information on the past performance of the Restricted Sub-Funds, they should contact BlackRock (Singapore) Limited at +65 6411-3000 to obtain such information. Other information required by the Monetary Authority of Singapore is contained elsewhere in the Prospectus of BlackRock Global Funds.

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

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

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

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

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

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

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

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

3. where the transfer is by operation of law;

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

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

Investors should note further that the other Sub-Funds of the Company referred to in this Prospectus other than the Restricted Sub-Funds and/or the Recognised Sub-Funds, are not available to Singapore investors and references to such other Sub-Funds is not and should not be construed as an offer of shares of such other sub-funds in Singapore.

Spain
The Company is duly registered with the Comisión Nacional de Mercado de Valores in Spain under number 140.

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

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

Taiwan
Certain Funds have been approved by the Financial Supervisory Commission (the "FSC"), or effectively registered with the FSC, for public offering and sale through the master agent and/or sales agents in Taiwan in accordance with the Securities Investment Trust and Consulting Act, Regulations Governing the Offshore Funds, and other applicable laws and regulations. Funds approved/registered in Taiwan will, subject to certain investment restrictions such as, among other things, the following: (1) no gold, real estate and commodities in the portfolio are allowed; (2) total value of the open positions on derivatives for increasing investment efficiency held by each Fund shall not exceed 40% of its net asset value; and (3) total value of open short positions on derivatives for hedging purpose held by each Fund shall not exceed the total market value of the corresponding securities held by the Fund. Investors should read this Prospectus in conjunction with the investor brochure, which contains additional information for Taiwan residents. The FSC issued a letter ruling on January 29 2014 which permitted sales and consultation of unregistered offshore funds through the Taiwan offshore banking unit of a bank (including a foreign bank having branch in Taiwan) ("OBU") and the Taiwan offshore securities unit of a securities firm (including a foreign securities firm having branch in Taiwan) ("OSU"); provided that: (1) the clients of the Taiwan OBU/OSU are limited to offshore clients, including individuals holding foreign passport without domicile in Taiwan and legal entities registered offshore without any registration or branch in Taiwan; and (2) any offshore fund distributed through an Taiwan OBU or OSU cannot invest more than 30% of its net asset value in the Taiwan securities markets ("Taiwan OBU/OSU Fund Offering"). BlackRock Investment Management (Taiwan) Limited has obtained the FSC's approval to provide agent services, the scope of which is subject to the regulator's approval and rulings which may be amended from time to time, to Taiwan OBU/OSU on behalf of BlackRock (Luxembourg) S.A. for the Taiwan OBU/OSU Fund Offering."

United Kingdom
The contents of this Prospectus have been approved solely for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (the "Act") by the Company's UK Distributor, BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL (which is regulated by the FCA in the conduct of investment business in

the UK). The Company has obtained the status of "recognised scheme" for the purposes of the Act. Some or all of the protections provided by the UK regulatory system will not apply to investments in the Company. Compensation under the UK Investors Compensation Scheme will generally not be available. The Company provides the facilities required by the regulations governing such schemes at the offices of BlackRock Investment Management (UK) Limited, which acts as the UK facilities agent. UK investors can contact the UK facilities agent at the above address to obtain details regarding the prices of units, to redeem or arrange for the redemption of Shares, to obtain payment and to make a complaint. Details on the procedure to be followed in connection with the subscription, redemption and switching of Shares are set out in this Prospectus. Copies of the following documents will be available (in English) for inspection and can be obtained at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the above address of the UK Facilities Agent:

1. the Articles of Association;
2. the Prospectus, KIID(s) and any supplement or addendum to the Prospectus; and
3. the most recently published annual and half yearly reports relating to the Company;

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

USA

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

Generally

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

Appendix E – Summary of Charges and Expenses

All Share Classes are also subject to an Administration Fee, which may be charged at a rate of up to 0.25% per annum.

ASEAN Leaders Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Asia Pacific Equity Income Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Asian Dragon Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Asian Growth Leaders Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Asian Local Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.00%	0.00%	0.00%
Class C	0.00%	1.00%	1.25%	1.00% to 0.00%
Class D	5.00%	0.50%	0.00%	0.00%
Class E	3.00%	1.00%	0.50%	0.00%
Class I	0.00%	0.50%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.50%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Asian Multi-Asset Growth Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%
Class Z	0.00%	up to 0.75%	0.00%	0.00%

Asian Tiger Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.00%	0.00%	0.00%
Class C	0.00%	1.00%	1.25%	1.00% to 0.00%
Class D	5.00%	0.50%	0.00%	0.00%
Class E	3.00%	1.00%	0.50%	0.00%
Class I	0.00%	0.50%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.50%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

China Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Continental European Flexible Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Emerging Europe Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.75%	0.00%	0.00%
Class C	0.00%	1.75%	1.25%	1.00% to 0.00%
Class D	5.00%	1.00%	0.00%	0.00%
Class E	3.00%	1.75%	0.50%	0.00%
Class I	0.00%	1.00%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 1.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Emerging Markets Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.25%	0.00%	0.00%
Class C	0.00%	1.25%	1.25%	1.00% to 0.00%
Class D	5.00%	0.65%	0.00%	0.00%
Class E	3.00%	1.25%	0.50%	0.00%
Class I	0.00%	0.65%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.65%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Emerging Markets Corporate Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Emerging Markets Equity Income Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Emerging Markets Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Emerging Markets Local Currency Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.00%	0.00%	0.00%
Class C	0.00%	1.00%	1.25%	1.00% to 0.00%
Class D	5.00%	0.50%	0.00%	0.00%
Class E	3.00%	1.00%	0.50%	0.00%
Class I	0.00%	0.50%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.50%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Euro Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.75%	0.00%	0.00%
Class C	0.00%	0.75%	1.25%	1.00% to 0.00%
Class D	5.00%	0.40%	0.00%	0.00%
Class E	3.00%	0.75%	0.50%	0.00%
Class I	0.00%	0.40%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.40%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Euro Corporate Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.80%	0.00%	0.00%
Class C	0.00%	0.80%	1.25%	1.00% to 0.00%
Class D	5.00%	0.40%	0.00%	0.00%
Class E	3.00%	0.80%	0.50%	0.00%
Class I	0.00%	0.40%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.40%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Euro Reserve Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	0.00%	0.45%	0.00%	0.00%
Class C	0.00%	0.45%	0.00%	0.00%
Class D	0.00%	0.25%	0.00%	0.00%
Class E	0.00%	0.45%	0.25%	0.00%
Class I	0.00%	0.25%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.25%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Euro Short Duration Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.75%	0.00%	0.00%
Class C	0.00%	0.75%	1.25%	1.00% to 0.00%
Class D	5.00%	0.40%	0.00%	0.00%
Class E	3.00%	0.75%	0.50%	0.00%
Class I	0.00%	0.40%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.40%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Euro Markets Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

European Equity Income Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

European Focus Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.75%	0.00%	0.00%
Class C	0.00%	1.75%	1.25%	1.00% to 0.00%
Class D	5.00%	1.00%	0.00%	0.00%
Class E	3.00%	1.75%	0.50%	0.00%
Class I	0.00%	1.00%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 1.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

European Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

European High Yield Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.25%	0.00%	0.00%
Class C	0.00%	1.25%	1.25%	1.00% to 0.00%
Class D	5.00%	0.65%	0.00%	0.00%
Class E	3.00%	1.25%	0.50%	0.00%
Class I	0.00%	0.65%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.65%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

European Special Situations Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

European Value Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Fixed Income Global Opportunities Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.00%	0.00%	0.00%
Class C	0.00%	1.00%	1.25%	1.00% to 0.00%
Class D	5.00%	0.50%	0.00%	0.00%
Class E	3.00%	1.00%	0.50%	0.00%
Class I	0.00%	0.50%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.50%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Flexible Multi-Asset Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Appendix E

Global Allocation Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Global Corporate Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.90%	0.00%	0.00%
Class C	0.00%	0.90%	1.25%	1.00% to 0.00%
Class D	5.00%	0.45%	0.00%	0.00%
Class E	3.00%	0.90%	0.50%	0.00%
Class I	0.00%	0.45%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.45%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Global Dynamic Equity Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Global Enhanced Equity Yield Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Global Equity Income Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Global Government Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.75%	0.00%	0.00%
Class C	0.00%	0.75%	1.25%	1.00% to 0.00%
Class D	5.00%	0.40%	0.00%	0.00%
Class E	3.00%	0.75%	0.50%	0.00%
Class I	0.00%	0.40%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.40%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Global High Yield Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.25%	0.00%	0.00%
Class C	0.00%	1.25%	1.25%	1.00% to 0.00%
Class D	5.00%	0.65%	0.00%	0.00%
Class E	3.00%	1.25%	0.50%	0.00%
Class I	0.00%	0.65%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.65%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Global Inflation Linked Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.75%	0.00%	0.00%
Class C	0.00%	0.75%	1.25%	1.00% to 0.00%
Class D	5.00%	0.40%	0.00%	0.00%
Class E	3.00%	0.75%	0.50%	0.00%
Class I	0.00%	0.40%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.40%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Global Long-Horizon Equity Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%
Class Z	0.00%	up to 0.75%	0.00%	0.00%

Global Multi-Asset Income Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Global Opportunities Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Global SmallCap Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

India Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Japan Small & MidCap Opportunities Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Japan Flexible Equity Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Latin American Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.75%	0.00%	0.00%
Class C	0.00%	1.75%	1.25%	1.00% to 0.00%
Class D	5.00%	1.00%	0.00%	0.00%
Class E	3.00%	1.75%	0.50%	0.00%
Class I	0.00%	1.00%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 1.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Natural Resources Growth & Income Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

New Energy Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.75%	0.00%	0.00%
Class C	0.00%	1.75%	1.25%	1.00% to 0.00%
Class D	5.00%	1.00%	0.00%	0.00%
Class E	3.00%	1.75%	0.50%	0.00%
Class I	0.00%	1.00%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 1.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

North American Equity Income Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Pacific Equity Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Renminbi Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.75%	0.00%	0.00%
Class C	0.00%	0.75%	1.25%	1.00% to 0.00%
Class D	5.00%	0.40%	0.00%	0.00%
Class E	3.00%	0.75%	0.50%	0.00%
Class I	0.00%	0.40%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.40%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Strategic Global Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.00%	0.00%	0.00%
Class C	0.00%	1.00%	1.25%	1.00% to 0.00%
Class D	5.00%	0.50%	0.00%	0.00%
Class E	3.00%	1.00%	0.50%	0.00%
Class I	0.00%	0.50%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.55%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%
Class Z	0.00%	up to 0.70%	0.00%	0.00%

Swiss Small & Mid Cap Opportunities Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

United Kingdom Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

US Basic Value Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

US Dollar Core Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.85%	0.00%	0.00%
Class C	0.00%	0.85%	1.25%	1.00% to 0.00%
Class D	5.00%	0.45%	0.00%	0.00%
Class E	3.00%	0.85%	0.50%	0.00%
Class I	0.00%	0.45%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.45%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

US Dollar High Yield Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.25%	0.00%	0.00%
Class C	0.00%	1.25%	1.25%	1.00% to 0.00%
Class D	5.00%	0.65%	0.00%	0.00%
Class E	3.00%	1.25%	0.50%	0.00%
Class I	0.00%	0.65%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.65%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

US Dollar Reserve Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	0.00%	0.45%	0.00%	0.00%
Class C	0.00%	0.45%	0.00%	0.00%
Class D	0.00%	0.25%	0.00%	0.00%
Class E	0.00%	0.45%	0.25%	0.00%
Class I	0.00%	0.25%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.25%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

US Dollar Short Duration Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.75%	0.00%	0.00%
Class C	0.00%	0.75%	1.25%	1.00% to 0.00%
Class D	5.00%	0.40%	0.00%	0.00%
Class E	3.00%	0.75%	0.50%	0.00%
Class I	0.00%	0.40%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.40%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

US Flexible Equity Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

US Government Mortgage Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.75%	0.00%	0.00%
Class C	0.00%	0.75%	1.25%	1.00% to 0.00%
Class D	5.00%	0.40%	0.00%	0.00%
Class E	3.00%	0.75%	0.50%	0.00%
Class I	0.00%	0.40%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.40%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

US Growth Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

US Small & MidCap Opportunities Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

World Agriculture Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.75%	0.00%	0.00%
Class C	0.00%	1.75%	1.25%	1.00% to 0.00%
Class D	5.00%	1.00%	0.00%	0.00%
Class E	3.00%	1.75%	0.50%	0.00%
Class I	0.00%	1.00%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 1.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

World Bond Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	0.85%	0.00%	0.00%
Class C	0.00%	0.85%	1.25%	1.00% to 0.00%
Class D	5.00%	0.45%	0.00%	0.00%
Class E	3.00%	0.85%	0.50%	0.00%
Class I	0.00%	0.45%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.45%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

World Energy Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.75%	0.00%	0.00%
Class C	0.00%	1.75%	1.25%	1.00% to 0.00%
Class D	5.00%	1.00%	0.00%	0.00%
Class E	3.00%	1.75%	0.50%	0.00%
Class I	0.00%	1.00%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 1.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

World Financials Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

World Gold Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.75%	0.00%	0.00%
Class C	0.00%	1.75%	1.25%	1.00% to 0.00%
Class D	5.00%	1.00%	0.00%	0.00%
Class E	3.00%	1.75%	0.50%	0.00%
Class I	0.00%	1.00%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 1.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

World Healthscience Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

World Mining Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.75%	0.00%	0.00%
Class C	0.00%	1.75%	1.25%	1.00% to 0.00%
Class D	5.00%	1.00%	0.00%	0.00%
Class E	3.00%	1.75%	0.50%	0.00%
Class I	0.00%	1.00%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 1.00%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

World Real Estate Securities Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%
Class Z	0.00%	up to 0.75%	0.00%	0.00%

World Technology Fund	Initial charge	Management Fee	Distribution Fee	CDSC
Class A	5.00%	1.50%	0.00%	0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class S	0.00%	up to 0.75%	0.00%	0.00%
Class X	0.00%	0.00%	0.00%	0.00%

Note: Subject to the approval of the Directors, the combined Management Fee and Administration Fee for any Fund may be increased up to a maximum of 2.25% in total by giving shareholders three months' prior notice in accordance with paragraph 21. of Appendix C. Any increase above this level would require approval of shareholders at a general meeting.

Appendix F – List of Depositary Delegates

The Depositary has entered into written agreements delegating the performance of its Safekeeping Function in respect of certain investments to the delegates listed below. The list is subject to change and a current list is available upon request from the Company's registered office and the local Investor Servicing team.

Country	Delegate
Argentina	Citibank N.A., Argentina
Australia	National Australia Bank Limited
Austria	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited
Belgium	Citibank Europe Plc, UK branch
Bermuda	HSBC Bank Bermuda Limited
Botswana	Stanbic Bank Botswana Limited
Brazil	Citibank N.A., Brazil
Bulgaria	Citibank Europe plc, Bulgaria Branch
Canada	CIBC Mellon Trust Company (CIBC Mellon)
Cayman Islands	The Bank of New York Mellon
Channel Islands	The Bank of New York Mellon
Chile	Banco de Chile
China	HSBC Bank (China) Company Limited
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco Nacional de Costa Rica
Croatia	Privredna banka Zagreb d.d.
Cyprus	BNP Paribas Securities Services S.C.A., Athens
Czech Republic	Citibank Europe plc, organizacni slozka
Denmark	Skandinaviska Enskilda Banken AB (Publ)
Egypt	HSBC Bank Egypt S.A.E.
Estonia	SEB Pank AS
Finland	Skandinaviska Enskilda Banken AB (Publ)
France	BNP Paribas Securities Services S.C.A.
Germany	The Bank of New York Mellon SA/NV
Ghana	Stanbic Bank Ghana Limited
Greece	BNP Paribas Securities Services S.C.A., Athens
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited
Hungary	Citibank Europe plc. Hungarian Branch Office
Iceland	Landsbankinn hf.
India	Deutsche Bank AG
Indonesia	Deutsche Bank AG
Ireland	The Bank of New York Mellon
Israel	Bank Hapoalim B.M.
Italy	Intesa Sanpaolo S.p.A.
Japan	Mizuho Bank, Ltd.
Japan	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Jordan	Standard Chartered Bank, Jordan branch
Kenya	CFC Stanbic Bank Limited
Kuwait	HSBC Bank Middle East Limited
Latvia	AS SEB banka
Lebanon	HSBC Bank Middle East Limited
Lithuania	SEB Bankas
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad
Malta	The Bank of New York Mellon SA/NV
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México S.A.
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	The Bank of New York Mellon SA/NV
New Zealand	National Australia Bank Limited
Nigeria	Stanbic IBTC Bank Plc.
Norway	Skandinaviska Enskilda Banken AB (Publ)
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Deutsche Bank AG
Panama	Citibank N.A., Panama Branch
Peru	Citibank del Peru S.A.
Philippines	Deutsche Bank AG
Poland	Bank Polska Kasa Opieki S.A.
Portugal	Citibank Europe Plc, Sucursal em Portugal
Qatar	HSBC Bank Middle East Limited, Doha
Romania	Citibank Europe plc, Romania Branch
Russia	Deutsche Bank Ltd
Saudi Arabia	HSBC Saudi Arabia Limited
Serbia	UniCredit Bank Serbia JSC
Singapore	DBS Bank Ltd
Slovak Republic	Citibank Europe plc, pobocka zahranicnej banky
Slovenia	UniCredit Banka Slovenia d.d.
South Africa	The Standard Bank of South Africa Limited
South Korea	Deutsche Bank AG
Spain	Banco Bilbao Vizcaya Argentaria, S.A.
Spain	Santander Securities Services, S.A.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Swaziland	Standard Bank Swaziland Limited
Sweden	Skandinaviska Enskilda Banken AB (Publ)
Switzerland	Credit Suisse AG
Taiwan	HSBC Bank (Taiwan) Limited
Tanzania	Stanbic Bank Tanzania Limited
Thailand	The Hongkong and Shanghai Banking Corporation Limited
Tunisia	Banque Internationale Arabe de Tunisie
Turkey	Deutsche Bank A.S.
U.A.E.	HSBC Bank Middle East Limited, Dubai
U.K.	The Bank of New York Mellon

Appendix F

Country	Delegate
U.S.A.	The Bank of New York Mellon
Uganda	Stanbic Bank Uganda Limited
Ukraine	Public Joint Stock Company "Citibank"
Uruguay	Banco Itaú Uruguay S.A.
Venezuela	Citibank N.A., Sucursal Venezuela
Vietnam	HSBC Bank (Vietnam) Ltd
Zambia	Stanbic Bank Zambia Limited
Zimbabwe	Stanbic Bank Zimbabwe Limited

Summary of Subscription Procedure and Payment Instructions

1. **Application Form**
For initial subscriptions for Shares you must complete the application form which may be obtained from the Transfer Agent or the local Investor Servicing teams and the form must be signed by all joint applicants. Subsequent subscriptions may be made in writing or by fax and the Management Company may, at its sole discretion, accept individual dealing orders submitted via other forms of electronic communication, stating your registration details and the amount to be invested. If your application is being submitted by your professional adviser, section 5 of the application form should be completed. Completed application forms must be sent to the Transfer Agent or the local Investor Servicing teams.

2. **Money Laundering Prevention**
Please read the notes on the application form regarding the identification documents required and ensure that you provide these to the Transfer Agent or the local Investor Servicing teams together with your application form.

3. **Payment**
A copy of your telegraphic transfer instructions should be supplied with your application (see sections 4 and 5 below).

4. **Payment by Telegraphic Transfer**
Payment by SWIFT/bank transfer in the relevant currency should be made to one of the accounts opposite. The SWIFT/bank transfer instruction should contain the following information:

   (i) Bank Name
   (ii) SWIFT Code or Bank Identifier
   (iii) Account (IBAN)
   (iv) Account Number
   (v) Account Reference – "BGF – Fund name subscribed into and BGF account number / contract reference number"
   (vi) By order of Shareholder name/agent name & Shareholder number/agent number

   An applicant's obligation to pay for Shares is fulfilled once the amount due has been paid in cleared funds into this account.

5. **Foreign Exchange**
If you wish to make payment in a currency other than that in the Dealing Currency (or one of the Dealing Currencies) of your chosen Fund, this must be made clear at the time of application.

Bank Details

US Dollars:
JP Morgan Chase New York
SWIFT code CHASUS33
For the account of: BlackRock (Channel Islands) Limited
Account Number 001-1-460185, CHIPS UID 359991
ABA Number 021000021
Quoting Reference "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Euros:
JP Morgan Frankfurt
SWIFT code CHASDEFX, BLZ 501 108 00
For the account of: BlackRock (Channel Islands) Limited
Account Number (IBAN) DE40501108006161600066
(formerly 616-16-00066)
Quoting Reference "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Sterling:
JP Morgan London
SWIFT code CHASGB2L, Sort Code 60-92-42
For the account of: BlackRock (Channel Islands) Limited
Account Number (IBAN) GB07CHAS60924211118940
(formerly 11118940)
Quoting Reference "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Others:

Australian Dollars:
Pay Australia and New Zealand Banking Group Limited
SWIFT code ANZBAU3M
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB56CHAS60924224466325
Quoting Reference: "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Canadian Dollars:
ROYAL BANK OF CANADA
SWIFT code ROYCCAT2
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB40CHAS60924224466322
Quoting Reference: "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Chinese Yuan Renminbi:
Pay JP Morgan Chase Bank Hong Kong
Swift Code CHASHKHH
Under direct SWIFT advice to JPMorgan Chase Bank, N.A., CHASGB2L
For the account of JP Morgan Chase Bank, N.A. (CHASGB2L),
Account number 6748000111
For further credit to Ultimate Beneficiary BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB52CHAS60924241001599
(formerly 41001599)
Quoting Reference: "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Hong Kong Dollars:
Pay JP Morgan Hong Kong
SWIFT code CHASHKHH
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB24CHAS60924224466319
(formerly 24466319)
Quoting Reference: "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Japanese Yen:
Pay JP Morgan Tokyo
SWIFT code CHASJPJT
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB69CHAS60924222813405
(formerly 22813405)
Quoting Reference: "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Polish Zloty
Pay mBANK
Swift Code: BREXPLPW
Beneficiary Bank: JPMorgan Chase Bank N.A.
Swift Code: CHASGB2L

Final Beneficiary: BlackRock (Channel Islands) Limited
Account: GB02CHAS60924224466327

New Zealand Dollars:
Pay Westpac Banking Corporation Wellington
SWIFT code WPACNZ2W
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB83CHAS60924224466324
Quoting Reference: "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Singapore Dollars:
Pay Overseas Chinese Banking Corp Ltd
SWIFT code OCBCSGSG
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB13CHAS60924224466323
Quoting Reference: "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Swedish Kroner:
Pay Svenska Handelsbanken Stockholm
SWIFT code HANDSESS
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB80CHAS60924222813401
(formerly 22813401)
Quoting Reference: "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Swiss Francs:
Pay UBS Zürich
SWIFT code UBSWCHZH80A
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB56CHAS60924217354770
(formerly 17354770)
Quoting Reference: "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Danish Krone:
Pay to NORDEA BANK DENMARK A/S,COPENHAGEN. (NDEADKKK)
Under direct SWIFT advice to JPMorgan Chase Bank, N.A., CHASGB2L
For the account of JPMorgan Chase Bank, N.A. (CHASGB2L). Account 5000404539
For further credit to BlackRock (Channel Islands) Ltd
Account number 24466326
IBAN: GB29CHAS60924224466326

South African Rand:
Standard Bank of South Africa J'BURG
SWIFT code SBZAZAJJ
In favour of JPMorgan Chase Bank, N.A.
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB81CHAS60924241314387
Quoting Reference: "Contract reference number or BGF account number or Name of Fund – Name of Applicant"

Hungarian Forint:
Correspondent bank: The ING Bank Rt. Budapest
Swift Code INGBHUHB
Beneficiary bank: JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of: BlackRock (Channel Islands) Ltd.
Account number: GB43CHAS60924241221466

BlackRock Global Funds
Addendum

Dated 13 July 2017
to Prospectus dated 30 June 2016

This addendum (the "Addendum") forms part of, and should be read in the context of and in conjunction with, the prospectus dated 30 June 2016 (the "Prospectus"). Distribution of this Addendum is not authorised unless accompanied by a copy of the Prospectus and the reports referred to therein. The Prospectus is deemed to be modified by the information in this Addendum.

Words and expressions not specifically defined herein shall bear the same meaning as that attributed to them in the Prospectus.

The directors of BlackRock Global Funds (the "Company") and BlackRock (Luxembourg) S.A. (the "Management Company"), whose names appear under the headings "Directory – Board of Directors" and "Management Company" respectively in the Prospectus, accept responsibility for the information contained in this Addendum. To the best of the knowledge and belief of the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Addendum is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you are in any doubt about the action to be taken you should consult your stockbroker, bank manager, solicitor, accountant, relationship manager or other professional adviser immediately.

Save as disclosed in this Addendum, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

The Directors of the Management Company have resolved that the Prospectus shall be amended effective as and from the date of this Addendum to include the following amendments:

1. Contents

The table of contents in the Prospectus shall be updated by adding the following:

"Appendix G – Securities Financing Transaction Disclosures 97"

2. Board of Directors

The information in respect of the board of directors on page 6 of the Prospectus shall be deleted in its entirety and replaced with:

"***Chairman***
Geoffrey Radcliffe

Directors
Robert Hayes
Francine Keiser
Frank P. Le Feuvre
Barry O'Dwyer

Robert Hayes, Frank Le Feuvre, Barry O'Dwyer and Geoffrey Radcliffe are employees of the BlackRock Group (of which the Management Company, Investment Advisers and Principal Distributor are part). Francine Keiser is an independent Director.

All Directors of BlackRock Global Funds are Non-Executive Directors."

3. Investment Objectives and Policies

The following sentence is added after the first sentence of the fourth paragraph under the section "General" on page 34 of the Prospectus:

"*Appendix G specifies, for each Fund, the maximum and expected proportion of the Net Asset Value that can be subject to total return swaps and contracts for differences. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.*"

The other part of that paragraph is moved to be a separate paragraph and will become the sixth paragraph.

A new paragraph will be added in-between and reads as follows:

"*The Funds may use securities financing transactions to help meet the investment objective of a Fund and/or as part of efficient portfolio management. For further detail please refer to Appendix G.*"

The following paragraph is added into the investment policy of the Flexible Multi-Asset Fund on page 42 of the Prospectus:

"*The Fund may use total return swaps and contracts for difference that have, in accordance with its investment policy, equity or fixed income transferable securities and equity or fixed income related securities as underlying assets. Investors should refer to Appendix G for more details on the expected and maximum portion of total return swaps and contracts for difference held by the Fund.*"

4. Repurchase and Reverse Repurchase Transactions

Two new paragraphs shall be added below the paragraph of the section headed "Securities Lending", such insertion to be made at page 14 of the Prospectus and shall read as follows:

"***Risks Relating to Repurchase Agreements***

In the event of the failure of the counterparty with which collateral has been placed, the Funds may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks Relating to Reverse Repurchase Agreements

In the event of the failure of the counterparty with which cash has been placed, the Funds may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements."

5. Efficient Portfolio Management – Other Techniques and Instruments

a) The following paragraph will be inserted under the heading "3.5 Efficient Portfolio Management – Other Techniques and Instruments" on page 64 of the Prospectus as a new, second paragraph:

"*Appendix G specifies, for each Fund, the maximum and expected proportion of the Net Asset Value that can be subject to securities lending and repo transactions. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions and borrowing demand in the market.*"

b) The heading "3.6 Securities lending transactions" on page 65 shall be amended to read "*3.6 Securities lending transactions and related potential conflicts of interest*".

c) A new sentence shall be added immediately after the heading "3.6 Securities lending transactions and related potential conflicts of interest" and shall read:

"*Each Fund may conduct securities lending transactions in aggregate for up to such percentage of its Net Asset Value as disclosed in the table in Appendix G.*"

d) The following paragraph shall be added below item (vi) of Section 3.6:

"*Counterparties for securities lending transactions are selected based on a rigorous credit assessment and in-depth review at the individual legal entity level at the outset of the trading relationship. Credit assessments include an evaluation of the legal entity corporate and/or ownership structure, regulatory regime, track record, financial health and any external agency ratings, where applicable.*"

e) Three new paragraphs shall be added to be the last three paragraphs of Section 3.6, reading as follows:

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

As part of its securities lending program, BlackRock indemnifies certain clients and/or funds against a shortfall in collateral in the event of borrower default. BlackRock's Risk and Quantitative Analytics Group ("RQA") calculates, on a regular basis, BlackRock'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 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 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 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 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 arrives; and (iii) the lending portfolio must also have enough inventory, either on its own or when aggregated with other portfolios into one single market delivery, to satisfy the loan request. In doing so, BlackRock seeks to provide equal lending opportunities for all portfolios, independent of whether BlackRock indemnifies the portfolio. Equal opportunities for lending portfolios does not guarantee equal outcomes. Specifically, short and long-term outcomes for individual clients may vary due to asset mix, asset/liability spreads on different securities, and the overall limits imposed by the firm."

f) A new paragraph shall be inserted just above section 3.7.1 on page 65 and shall read as follows:

"*Each Fund may conduct repurchase/reverse repurchase transactions in aggregate for up to such percentage of its latest available net asset value as disclosed in the table in Appendix G. All incremental incomes generated from such transactions will be accrued to the Fund.*"

g) Item (b) of section 3.8.1 on page 66 shall be replaced by the following text:

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

h) A new paragraph shall be inserted immediately above section 3.8.2 on page 66 and shall read as follows:

"*Counterparties for repurchase / reverse repurchase transactions are selected based on a rigorous credit assessment and in-depth review at the individual legal entity level at the outset of the trading relationship. Credit assessments include an evaluation of the legal entity corporate and/or ownership structure, regulatory regime, track record, financial health and any external agency ratings, where applicable.*"

i) A sentence shall be added to paragraph 3.8.3 on page 66 reading as follows:

"*This is not applicable in the event that there is no title transfer in which case the Collateral will be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.*"

j) Section 3.8.7 on page 66 shall be replaced in its entirety by the following:

"*The Company has implemented a haircut policy in respect of each class of assets received as Collateral in order to reduce exposure to trading counterparties for OTC Derivative, Securities Lending and Reverse Repurchase transactions. These transactions are executed under standardised legal documentation that include terms related to credit support and eligible collateral, including haircuts to be applied.*

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

The applicable haircuts for each of the relevant types of assets held as Collateral are specified below as a valuation percentage. Larger haircuts than those noted below may be applied at the sole discretion of the Company; larger haircuts may apply to certain counterparties, and/or to certain transactions (e.g. wrong way risk).

The Company reserves the right to vary this policy at any time in which case this Prospectus will be updated accordingly.

OTC Derivative Transactions

Eligible Collateral	*Minimum Haircut Applicable*
Cash	*0%*
Government Bonds having a remaining term to maturity of one year or less	*0.5%*
Government Bonds having a remaining term to maturity of greater than one year but less than or equal to five years	*2%*
Government Bonds having a remaining term to maturity of greater than five years	*4%*
Non-Government Bonds having a remaining term to maturity of less than or equal to five years	*10%*
Non-Government Bonds having a remaining term to maturity of greater than 5 years	*12%*

Securities Lending Transactions

Eligible Collateral	*Minimum Haircut Applicable*
Cash	*2%*
Money Market Funds	*2%*
Government Bonds	*2.5%*
Supranational / Agency Bonds	*2.5%*
Equities (including ADRs and ETFs)	*5%*

Reverse Repurchase Transactions

Eligible Collateral	*Minimum Haircut Applicable*
Government bonds	*0%*
Corporate Bonds	*6%*

6. <u>The Subsidiary</u>

The reference to "*Mr Nicholas Hall*" on page 77 of the Prospectus shall be replaced by a reference to "*Mr Robert Hayes*" and the reference to "*Mr. Kapildeo Joory*" on page 77 of the Prospectus shall be replaced by a reference to "*Ms. Dilshaad Rajabalee*".

7. Appendix G – Securities Financing Transaction Disclosures

The following appendix shall be added to the Prospectus as a new Appendix G:

"*APPENDIX G – Securities Financing Transaction Disclosures*

General

Securities Financing Transactions (SFTs) such as securities lending, repurchase transactions, total return swaps (TRS) and contracts for difference (CFDs) may be used by all the Funds (subject to their investment objective and policy) either to help meet the investment objective of a Fund and/or as part of efficient portfolio management.

Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. The Funds may enter into swaps as either the payer or receiver of payments under such swaps.

Contracts for difference are similar to swaps and may also be used by certain Funds. A contract for difference (CFD) is an agreement between a buyer and a seller stipulating that the seller will pay the buyer the difference between the current value of a security and its value when the contract is made. If the difference turns out to be negative, the buyer pays the seller.

SFTs are defined as:

a) repurchase transaction (which means a transaction governed by an agreement by which a counterparty transfers securities, commodities, or guaranteed rights relating to title to securities or commodities where that guarantee is issued by a recognised exchange which holds the rights to the securities or commodities and the agreement does not allow a counterparty to transfer or pledge a particular security or commodity to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities or commodities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities or commodities and a reverse repurchase agreement for the counterparty buying them");

b) securities lending and securities borrowing (which means transactions governed by an agreement by which a counterparty transfers securities, or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;

c) buy-sell back transaction or sell-buy back transaction (which means transactions by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities or commodities, agreeing, respectively, to sell or to buy back securities, commodities or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, commodities or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy-sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse-repurchase agreement; and

d) margin lending transaction (which means a transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities).

The Funds do not currently use SFTs described in paragraphs c) and d) above.

The types of assets that may be subject to SFTs, total return swaps and contracts for difference include equity securities, fixed income securities, collective investment schemes, money market instruments and cash. Use of such assets is subject to a Fund's investment objective and policy.

Counterparty Selection & Review

The Investment Advisers select from an extensive list of full service and execution-only brokers and counterparties. All prospective and existing counterparties require the approval of the Counterparty and Concentration Risk Group ("CCRG"), which is part of BlackRock's independent Risk & Quantitative Analysis department ("RQA").

In order for a new counterparty to be approved, a requesting portfolio manager or trader is required to submit a request to the CCRG. The CCRG will review relevant information to assess the credit-worthiness of the proposed counterparty in combination with the type and settlement and delivery mechanism of the proposed security transactions. The counterparties will be entities with legal personality typically located in OECD jurisdictions (but may also be located outside such jurisdictions), be subject to ongoing supervision by a regulatory authority and will typically have at least an investment grade credit rating from one or more globally recognised credit rating agencies. A list of approved trading counterparties is maintained by the CCRG and reviewed on an on-going basis.

Counterparty reviews take into account the fundamental creditworthiness (ownership structure, financial strength, regulatory oversight) and commercial reputation of specific legal entities in conjunction with the nature and structure of proposed trading activities. Counterparties are monitored on an ongoing basis through the receipt of audited and interim financial statements, via 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.

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

Once a counterparty is approved by the CCRG, broker selection for an individual trade is then made by the relevant dealer at the point of trade, based upon the relative importance of the relevant execution factors. For some trades, it is appropriate to enter into a competitive tender amongst a shortlist of brokers.

The Investment Advisers 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, the Investment Advisers monitor 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.*

The Securities Financing Transaction Regulation 2015 (2015/2365) ("SFTR") contain requirements in relation to the selection of counterparties and the eligibility, safekeeping and reuse of collateral. These requirements are set out in Appendix A.

Returns generated by SFTs
All returns generated from the use of repurchase transactions, total return swaps and contracts for difference will be paid to the relevant Fund.

In relation to securities lending only, the securities lending agent, BlackRock Advisors (UK) Limited, receives remuneration in relation to its activities. Such remuneration is paid from the returns generated and shall not exceed 37.5% of the net revenue from the activities, with all operational costs borne out of BlackRock's share. The securities lending agent is a related party to the Management Company.

Proportions of Fund property subject to SFTs
The table below specifies the maximum and expected proportion of the Net Asset Value of a Fund that can be subject to securities financing transactions for the purposes of the SFTR. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions. The maximum figure is a limit.

No.	FUND	TRS and CFDs (in aggregate*) Maximum/Expected proportion of the NAV (%)	Securities Lending** Maximum/Expected proportion of the NAV (%)	Repo Transactions Maximum/Expected proportion of the NAV (%)
1.	ASEAN Leaders Fund	40/0	100/0-40	40/0
2.	Asia Pacific Equity Income Fund	40/0	100/0-40	40/0
3.	Asian Dragon Fund	40/0	100/0-40	40/0
4.	Asian Growth Leaders Fund	40/0	100/0-40	40/0
5.	Asian Multi-Asset Growth Fund	70/30	100/0-40	45/5
6.	Asian Tiger Bond Fund	10/2	100/0-40	40/0
7.	China Fund	40/0	100/0-40	40/0
8.	Continental European Flexible Fund	40/0	100/0-40	40/0
9.	Emerging Europe Fund	40/0	100/0-40	40/0
10.	Emerging Markets Bond Fund	10/2	100/0-40	40/0
11.	Emerging Markets Corporate Bond Fund	10/2	100/0-40	60/20
12.	Emerging Markets Equity Income Fund	40/0	100/0-40	40/0
13.	Emerging Markets Fund	40/0	100/0-40	40/0
14.	Emerging Markets Local Currency Bond Fund	10/2	100/0-40	60/20
15.	Euro Bond Fund	10/2	100/0-40	40/0
16.	Euro Corporate Bond Fund	10/2	100/0-40	40/0
17.	Euro Reserve Fund	0/0	0/0	40/0
18.	Euro Short Duration Bond Fund	10/2	100/0-40	40/0
19.	European Fund	40/0	100/0-40	40/0
20.	Euro-Markets Fund	40/0	100/0-40	40/0

No.	FUND	TRS and CFDs (in aggregate*) Maximum/Expected proportion of the NAV (%)	Securities Lending** Maximum/Expected proportion of the NAV (%)	Repo Transactions Maximum/Expected proportion of the NAV (%)
21.	European Equity Income Fund	40/0	100/0-40	40/0
22.	European Focus Fund	40/0	100/0-40	40/0
23.	European High Yield Bond Fund	10/0	100/0-40	40/0
24.	European Special Situations Fund	40/0	100/0-40	40/0
25.	European Value Fund	40/0	100/0-40	40/0
26.	Fixed Income Global Opportunities Fund	25/0-10	100/0-40	40/0
27.	Flexible Multi-Asset Fund	70/29	100/0-40	40/0
28.	Global Allocation Fund	25/15	100/0-40	50/0
29.	Global Corporate Bond Fund	40/0	100/0-40	40/0
30.	Global Dynamic Equity Fund	25/15	100/0-40	45/5
31.	Global Enhanced Equity Yield Fund	40/0	100/0-40	40/0
32.	Global Equity Income Fund	40/0	100/0-40	40/0
33.	Global Government Bond Fund	10/0-2	100/0-40	40/0
34.	Global High Yield Bond Fund	10/3	100/0-40	40/0
35.	Global Inflation Linked Bond Fund	10/2	100/0-40	40/0
36.	Global Long-Horizon Equity Fund	40/0	100/0-40	40/0
37.	Global Multi-Asset Income Fund	10/0	100/0-40	40/0
38.	Global Opportunities Fund	40/0	100/0-40	40/0
39.	Global SmallCap Fund	40/0	100/0-40	40/0
40.	India Fund	40/0	100/0-40	40/0
41.	Japan Flexible Equity Fund	40/0	100/0-40	40/0
42.	Japan Small & MidCap Opportunities Fund	40/0	100/0-40	40/0
43.	Latin American Fund	40/0	100/0-40	40/0
44.	Natural Resources Growth & Income Fund	40/0	100/0-40	40/0
45.	New Energy Fund	40/0	100/0-40	40/0
46.	North American Equity Income Fund	40/0	100/0-40	40/0
47.	Pacific Equity Fund	40/0	100/0-40	40/0
48.	Renminbi Bond Fund	10/2	100/0-40	40/0
49.	Strategic Global Bond Fund	25/0-10	100/0-40	40/0
50.	Swiss Small & MidCap Opportunities Fund	40/0	100/0-40	40/0
51.	United Kingdom Fund	40/0	100/0-40	40/0
52.	US Basic Value Fund	40/0	100/0-40	40/0
53.	US Dollar Core Bond Fund	10/2	100/0-40	40/0
54.	US Dollar High Yield Bond Fund	10/3	100/0-40	40/0
55.	US Dollar Reserve Fund	0/0	0/0	40/0
56.	US Dollar Short Duration Bond Fund	10/2	100/0-40	42/2
57.	US Flexible Equity Fund	40/0	100/0-40	40/0
58.	US Government Mortgage Fund	10/3-5	100/0-40	40/0
59.	US Growth Fund	40/0	100/0-40	40/0

No.	FUND	TRS and CFDs (in aggregate*) Maximum/Expected proportion of the NAV (%)	Securities Lending** Maximum/Expected proportion of the NAV (%)	Repo Transactions Maximum/Expected proportion of the NAV (%)
60.	US Small & MidCap Opportunities Fund	40/0	100/0-40	40/0
61.	World Agriculture Fund	40/0	100/0-40	40/0
62.	World Bond Fund	10/0-2	100/0-40	40/0
63.	World Energy Fund	40/0	100/0-40	40/0
64.	World Financials Fund	40/0	100/0-40	40/0
65.	World Gold Fund	40/0	100/0-40	40/0
66.	World Healthscience Fund	40/0	100/0-40	40/0
67.	World Mining Fund	40/0	100/0-40	40/0
68.	World Real Estate Securities Fund	40/10	100/0-40	40/0
69.	World Technology Fund	40/0	100/0-40	40/0

** Within the total ranges noted above, the Funds' exposure to CFDs and TRS will vary. Further details of exposures to CFD or TRS can be obtained from the Company's registered office.*

*** The maximum proportion of the Net Asset Value of the Funds that can be subject to securities lending is indicated in the table above. The demand to borrow securities is a significant driver for the amount that is actually lent from a Fund at a given time. Borrowing demand fluctuates over time and depends to a large extent on market factors that cannot be forecasted precisely. Due to fluctuations in borrowing demand in the market, future lending volumes could fall outside of this range."*

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