This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice.

The following change(s) in investment choice(s) relate(s) to the "Global Series" and "Premier-Choice Series" plans. The "Global Series" includes Global InvestPlan and Global InvestPlus. The "Premier-Choice Series" includes Premier-Choice ULife InvestPlan, Premier-Choice Flexi, Premier-Choice Flexi Plus, Premier-Choice InvestPlan and Premier-Choice PLUS InvestPlan.

1. Clarification of the Investment Objective and Policy of the Underlying Fund of the Investment Choice

- *Invesco Global Consumer Trends Fund A (Acc) (INGLU)*

The investment objective and policy of the underlying fund of the investment choice above will be clarified with effect from 18 March 2019 by replacing the word "international" with "global" to better reflect that the underlying fund invests globally, including in the U.S. market, as the directors consider that the word "international" can potentially be interpreted as "global ex U.S.".

This clarification will not impact the interests of existing investors, the operation and/or the way in which the underlying fund is being managed or its risk profile.

As advised by the director of Legg Mason Global Funds Plc, there will the following changes to the underlying funds with effect from the date the revised Irish prospectus (reflecting the changes below) have been approved by the Central Bank of Ireland (the "Effective Date"). It is expected that the Effective Date will be on or about 22 March 2019.

2. Appointment of Management Company and Changes to Investment Managers and Sub-Investment Managers for the Underlying Funds of the Investment Choices

- *Legg Mason Global Funds Plc - Legg Mason Western Asset U.S. Adjustable Rate Fund Class A US$ Accumulating (LMUAU)*
- *Legg Mason Global Funds Plc - Legg Mason ClearBridge US Aggressive Growth Fund Class A Acc (LMUGU)*
- *Legg Mason Global Funds Plc - Legg Mason Royce US Small Cap Opportunity Fund Class A Acc (LMUSU)*

The underlying funds of the investment choices above are currently self-managed funds. The Hong Kong Offering Documents of the underlying funds will be updated to reflect, among others, the appointment of Legg Mason Investments (Ireland) Limited ("LMI Ireland") as the management company of the underlying funds, effective from the Effective Date . LMI Ireland is authorised by the Central Bank of Ireland to act as management company for Undertakings for Collective Investment in Transferable Securities (UCITS) such as the underlying funds. LMI Ireland will be responsible for the investment management, administration and distribution functions of the underlying funds. Whilst LMI Ireland will be responsible for the investment management of the underlying funds, it will at all times delegate such functions to its investment delegates. With the appointment of LMI Ireland as management company, Legg Mason Investments (Europe) Limited will no longer act as ivestment managers for the underlying funds.

All entities currently acting as sub-investment manager for the underlying funds will be appointed as the new investment manager or sub-investment manager (if applicable) to the same underlying funds by LMI Ireland.

The appointment of LMI Ireland and related investment management restructuring is part of the strategy of the Legg Mason Group to establish Ireland as the base for its European operations, in light of the expected exit by the United Kingdom from the European Union.

3. Change of Valuation Basis for the Underlying Funds of the Investment Choices

- *Legg Mason Global Funds Plc - Legg Mason Western Asset U.S. Adjustable Rate Fund Class A US$ Accumulating (LMUAU)*
- *Legg Mason Global Funds Plc - Legg Mason ClearBridge US Aggressive Growth Fund Class A Acc (LMUGU)*
- *Legg Mason Global Funds Plc - Legg Mason Royce US Small Cap Opportunity Fund Class A Acc (LMUSU)*

Currently, securities other than bonds which are traded on a regulated market are valued based on the latest available traded price, and bonds which are traded on a regulated market are valued based on the closing bid price. From the Effective Date, the valuation basis for all securities held by the underlying funds of the investment choices above will change to the latest available mid price (the "Pricing Change").

The Pricing Change is being made because the latest available mid price is a more uniform standard across global markets.

On the Effective Date, the Pricing Change is expected to affect the net asset value of the underlying funds and will in turn impact the subscription and redemption prices of the underlying funds. The impact is expected to be immaterial, although this cannot be guaranteed.

The changes set out in sections 3 and 4 above do not affect the overall features and risk profile of the underlying funds, nor will they materially prejudice the interests of existing investors of the underlying funds. There will also be no material change in the operation and/or manner in which the underlying funds are being managed and there will be no change in the fee structure, the fee level or cost in managing the underlying funds.

The costs and expenses incurred which arise from or are incidental to the above changes will be borne by the Legg Mason Investments (Europe) Limited, including legal and administrative costs.

As advised by BlackRock Asset Management North Asia Limited, there will be the following changes to the underlying funds with effect from 25 March 2019.

4. Renaming and Change of Investment Policy of the Underlying Fund of the Investment Choice

- *BlackRock Global Funds - New Energy Fund Class "A" (MLNEU)*

The underlying fund of the investment choice above, BlackRock Global Funds - New Energy Fund, will be renamed as the "BlackRock Global Funds - Sustainable Energy Fund" and the words "new energy" in its investment policy will be changed to "sustainable energy". The new name will better reflect the underlying fund's exposures to the power, transportation and built environment industries, as opposed to "new energy" which could be taken to mean purely wind and solar energy. This will not affect the way the underlying fund is currently managed.

Accordingly, the name of the investment choice will also be changed to "BlackRock Global Funds - Sustainable Energy Fund Class "A"" with effect from 25 March 2019.

5. Renaming, Change of Investment Policy and Reduction of Management Fee of the Underlying Fund of the Investment Choice

- *BlackRock Global Funds - World Agriculture Fund Class "A" (MLWAU)*

The underlying fund of the investment choice above, BlackRock Global Funds - World Agriculture Fund, will be renamed as the "BlackRock Global Funds - Nutrition Fund" and its investment policy will be widened to permit it to invest in equity securities of both agriculture and food-related companies. This expansion to the range of available investments is expected to lead to the underlying fund having access to a greater range of investment opportunities, and is expected to assist the investment adviser in managing the underlying fund's volatility, through the ability to make investments throughout the food and agriculture value chain.

Following the changes, the underlying fund will continue to be susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the agriculture industry. As a consequence of widening its investment policy to cover food-related companies, the underlying fund will also be subject to the same range of risks as they apply to the food industry.

The changes described above are not expected to materially affect the overall risk profile of the underlying fund or change its expected level of leverage. The changes will not materially prejudice the interests of the existing investors of the underlying fund.

The proposed changes to the underlying fund also include a reduction of the management fee from 1.75% p.a. to 1.50% p.a. for the underlying fund.

Accordingly, the name of the investment choice will also be changed to "BlackRock Global Funds - Nutrition Fund Class "A"" with effect from 25 March 2019.

6. Investment via China Interbank Bond Market for the Underlying Fund of the Investment Choice

- *BlackRock Global Funds - Global Allocation Fund Class "A" (MLGAU)*

The underlying fund of the investment choice above will be permitted to gain direct exposure to China onshore bonds via China Interbank Bond Market ("CIBM") for no more than 10% of its total assets.

Risks associated with investment via the CIBM include liquidity and volatility risks, counterparty and settlement risks and regulatory risks, etc. For the specific risks and other details associated with investment via the CIBM, please refer to the prospectus of the underlying fund.

7. Change to Investment Policy in Relation to Investment in Contingent Convertible Bonds, Distressed Securities, Asset-backed Securities ("ABS") and Mortgage-backed Securities ("MBS") for the Underlying Funds of the Investment Choices

- *BlackRock Global Funds - Asian Tiger Bond Fund Class "A" (MLABU)*
- *MassMutual - BlackRock Global Funds - European Special Situations Fund Class "A" (MLESU)*
- *BlackRock Global Funds - Global Allocation Fund Class "A" (MLGAU)*
- *BlackRock Global Funds - New Energy Fund Class "A" (MLNEU)*
- *BlackRock Global Funds - US Dollar Reserve Fund Class "A" (MLUDU)*
- *BlackRock Global Funds - World Agriculture Fund Class "A" (MLWAU)*
- *BlackRock Global Funds - World Energy Fund Class "A" (MLWEU)*
- *BlackRock Global Funds - World Gold Fund Class "A" (MLWGU)*
- *BlackRock Global Funds - World Mining Fund Class "A" (MLWMU)*

The investment policies of the underlying funds of the investment choices above will be changed from 25 March 2019 to reflect that these underlying funds may invest in contingent convertible bonds, distressed securities and ABS/MBS and the relevant maximum exposures (% of total assets of the underlying fund) are set out below:

Contingent convertible bonds

Underlying Fund	Maximum exposures (% of total assets)
BlackRock Global Funds - European Special Situations Fund	5%
BlackRock Global Funds - New Energy Fund	5%
BlackRock Global Funds - World Agriculture Fund	5%
BlackRock Global Funds - World Energy Fund	5%
BlackRock Global Funds - World Gold Fund	5%
BlackRock Global Funds - World Mining Fund	5%

Distressed securities

Underlying Fund	Maximum exposures (% of total assets)
BlackRock Global Funds - Asian Tiger Bond Fund	10%
BlackRock Global Funds - Global Allocation Fund	10%

ABS/MBS

Underlying Fund	Maximum exposures (% of total assets)
BlackRock Global Funds - US Dollar Reserve Fund	15%

Please refer to "Contingent Convertible Bonds", "Distressed Securities" and "Asset-backed Securities ("ABS")" and "Mortgage-backed Securities ("MBS")" in the "Risk Considerations" section of the prospectus for further information regarding the risks associated with investment in contingent convertible bonds, distressed securities, ABS and MBS.

These thresholds have been added as discussed above so that the investment policy of each underlying fund will more clearly and accurately represent how the investment adviser wishes to manage the underlying fund in order to achieve its investment objective. The changes are intended to ensure that the investment characteristics and positioning of these underlying funds remain both relevant to and consistent with the current investment environment and expectations of investors. The directors believe these changes will be in the best interests of investors as they will help create a wider investible universe in order to better manage risk and maximise the performance of the underlying funds.

There will be no material changes to the investment objectives, policies, strategy or overall risk profiles of these underlying funds or how these underlying funds are managed as a result of the changes described above (although please note that BlackRock Global Funds - New Energy Fund and BlackRock Global Funds - World Agriculture Fund are being re-positioned as described in section 4 and section 5 above).

You should refer to the relevant offering documents and the notice to shareholders of the underlying fund(s) of the above investment choice(s), which are made available by MassMutual Asia Ltd. upon request, or visit our website (www.massmutualasia.com) to carefully read the details of the relevant documents in relation to the above change(s).

If you have selected the above investment choice(s) under your insurance policy and if for any reason you wish to change to other investment choice(s), you may switch your investment choice(s) to other available investment choice(s) provided by your policy. Currently, no switching charge and bid-offer spread apply to the investment choices. For details, please refer to Investment Choice Brochure or contact MassMutual Asia Ltd. - Customer Service Hotline at (852) 2533 5555 (Hong Kong)/ (853) 2832 2622 (Macau).

Invesco Funds

Société d'Investissement à Capital Variable
Registered Office:
Vertigo Building- Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg
R.C.S. Luxembourg B34 457

18 February 2019

Shareholders circular

IMPORTANT: This circular is important and requires your immediate attention. If you are in any doubt as to the action you should take you should seek advice from your professional adviser/consultant.

Unless otherwise defined, all capitalised terms used herein bear the same meaning as defined in the prospectus (including the Supplement – Additional Information for Hong Kong Investors ("Hong Kong Supplement")) of Invesco Funds (the "SICAV") and Appendix A (together the "Prospectus").

About the information in this circular:

The directors of the SICAV (the "Directors") and the Management Company are the persons responsible for the accuracy of the information contained in this letter. To the best of the knowledge and belief of the Directors and the Management Company (having taken all reasonable care to ensure that such is the case), the information contained in this letter is, at the date hereof, in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors and the Management Company accept responsibility accordingly.

Dear Shareholder,

We are writing to you as a Shareholder of the SICAV due to the amendments, as further described below, to be included in the Prospectus of the SICAV as from the 18 March 2019 (the "Effective Date"), unless otherwise stated herein.

If any of the below mentioned amendments do not suit your investment requirements, you are advised that you may, at any time prior to the Effective Date, redeem your shares in the Funds without any redemption charges. Redemptions will be carried out in accordance with the terms of the Prospectus.

Furthermore, in respect of the changes to the Invesco Emerging Markets Bond Fund, the Invesco Global High Income Fund and the Invesco Asian Bond Fund, Shareholders may also avail of a switch out of these Funds, provided such requests are received at any time prior to the Effective Date, into another Fund in the SICAV (subject to minimum investment amounts as set out in the Prospectus and authorisation of the particular Fund for sale in your relevant jurisdiction). The switch will be carried out in accordance with the normal terms applicable to Shareholders in the Funds for switches, but no switching fee will be imposed on any such switch*. Before taking any decision to invest in another Fund, you must first refer to the Prospectus of the relevant Funds and the risks involved in relation to the same.

A. General amendments

In light of the announcement that the United Kingdom will leave the European Union (the "Brexit"), as of the Effective Date, the Prospectus will be amended by adding a reference to the United Kingdom specifically, where reference to the European Union or to the Member States is made, where applicable. In particular, this clarification will be made in the investment objective and policy of the Funds set out below:

- Invesco Continental European Small Cap Equity Fund
- Invesco Euro Equity Fund
- Invesco Emerging Local Currencies Debt Fund
- Invesco Emerging Markets Bond Fund
- Invesco Emerging Market Corporate Bond Fund
- Invesco Global High Income Fund

The changes will not impact the way the Funds are managed nor will result in any change to the risk profile of the Funds. There will be no change in the fee structure, fee level or cost in managing the Funds. All costs incurred in connection with the change will be borne by the Management Company.

* Although we will not impose any charges in respect of your switching instructions, your bank, distributor or financial adviser may charge you switching and/or transaction fees. You are advised to contact your bank, distributor or financial adviser should you have any questions in this regard.

B. Change of Depositary and of Administration Agent, Domiciliary and Corporate Agent and Paying Agent

The Directors have decided to appoint The Bank of New York Mellon SA/NV, Luxembourg Branch having its registered office at Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg, to replace The Bank of New York Mellon (International) Limited, Luxembourg Branch as new depositary and new administration agent, domiciliary and corporate agent and paying agent of the SICAV, as of the Effective Date.

Please note that this change is driven entirely by "Brexit". With the exit of the United Kingdom from the European Union, it will no longer be acceptable to have the Luxembourg Branch of The Bank of New York Mellon (International) Limited, which is domiciled in the United Kingdom, appointed as the depositary of the SICAV.

The Prospectus and the Product Key Facts Statements of the Funds authorised by the Securities and Futures Commission ("SFC") for sale in Hong Kong† will be updated to reflect this change.

This change will not result in any change to the features and risks, overall risk profile, the operation or management of the Funds of the SICAV, nor materially prejudice the rights or interests of investors of the SICAV. There will be no change in the fee structure, fee level or cost in managing the Fund. All costs incurred in connection with the change, including legal and administrative costs, will be borne by the Management Company.

C. Change in the investment objective and policy of Invesco Emerging Markets Bond Fund and Invesco Global High Income Fund (together, the "Impacted Funds")

The Directors have decided to change the investment objective and policy of the Impacted Funds, as well as make other amendments, as further described below from the Effective Date.

From the Effective Date, the investment objective and policy of the Impacted Funds will change to allow the Impacted Funds to use derivative instruments not extensively for investment purposes. The maximum level of leverage resulting from such investment will be restricted to 40% of the NAV of each of the Impacted Funds, as measured by the commitment approach. The level of leverage calculated using the sum of notionals approach is expected to change from 0% to 10% in respect of the Invesco Emerging Markets Bond Fund's NAV and from 5 to 50% in respect of the Invesco Global High Income Fund's NAV.

The Impacted Funds' use of derivatives may include derivatives on credit, rates, currencies and volatility and may be used to achieve both long and short positions, which overall will not result in the Impacted Funds being directionally short or short any asset class. In addition, the Impacted Funds will not have uncovered short positions, in line with appropriate UCITS regulatory requirements. The Impacted Funds may also use derivatives on equities, where the Investment Manager believes that such investment could reduce drawdowns. Please note that the long and short active financial derivative positions (including active currency/ interest rate/ credit/ volatility and equity positions) implemented by each of the Impacted Funds may not be correlated with the underlying securities positions held by these Impacted Funds (i.e. debt securities).

† SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

As a result of the above changes, the Impacted Funds may be subject to risks of investing in financial derivative instruments which include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk, and may be exposed to additional leveraged risk, which may result in significant fluctuations of the NAV of the Impacted Funds and/or extreme losses where the Investment Manager is not successful in predicting market movements. Additionally, the Impacted Funds may also be subject to risks of implementing active financial derivative instrument positions not correlated with the underlying assets of the Impacted Funds and may suffer a significant or total loss even if there is no loss of the value of the underlying securities positions being debt securities held by the Impacted Funds. While not intended, this may lead to an increase in the risk profile of the Impacted Funds. Disclosures to this effect, as well as disclosures regarding the extent of the use of derivatives and the expected level of leverage calculated under the commitment approach, will be inserted into the Hong Kong Supplement and Product Key Facts Statement to fulfill local Hong Kong regulatory requirements.

In addition, from the Effective Date, Appendix A of the Prospectus will be amended to state that the expected proportion of the NAV of each of the Impacted Funds subject to total return swaps will be 5%. Under normal market circumstances, the maximum proportion of the NAV subject to total return swaps will be 30%, although it is provided in section 7 of the Prospectus that the maximum proportion is not a regulatory limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

The above changes will not normally materially impact the interests of existing investors, the operation and/or the way in which the Impacted Funds are being managed or their risk profile, although as will be reflected in the Prospectus and/or Product Key Facts Statement, from the Effective Date, the Impacted Funds will be subject to the risks of investing in financial derivatives instruments for investment purposes and the risks of implementing active financial derivative instrument positions not correlated with underlying asset of the Impacted Funds as mentioned above. There is no change in the fee level/cost in managing the Impacted Funds, and any cost and/or expenses incurred in connection with these changes, including legal and administrative costs, will be borne by Management Company.

For your ease of reference please refer to the comparison table at Appendix 1 and Appendix 2 to this letter which show the existing investment objective and policy of the Invesco Emerging Markets Bond Fund and Invesco Global High Income Fund respectively as outlined in the Product Key Facts Statements versus how it will appear in the new version. The key differences have been underlined.

D. Clarification of the investment objective and policy of Invesco Emerging Local Currencies Debt Fund and Invesco Emerging Market Corporate Bond Fund

Due to recent changes to the Code on Unit Trusts and Mutual Funds issued by SFC (the "New Code"), the Directors have decided to clarify the use of derivatives by Invesco Emerging Local Currencies Debt Fund and Invesco Emerging Market Corporate Bond Fund for investment purposes by reflecting that such use is not extensive since the maximum level of leverage is 40% of each Fund's NAV, as measured by the commitment approach. Accordingly, the Prospectus and the Product Key Facts Statements of the Funds will be amended to reflect this clarification.

The above clarification does not impact the features and risks applicable to Invesco Emerging Local Currencies Debt Fund and Invesco Emerging Market Corporate Bond Fund, and will not impact the interests of existing investors, the operation and/or the way in which the Funds are being managed or their risk profile. There is no change in the fee level/cost in managing the Funds, and any cost and/or expenses incurred in connection with the clarification, including legal and administrative costs, will be borne by Management Company.

E. Change in the investment objective and policy of Invesco Asian Bond Fund

From the Effective Date, the investment objective and policy of the Invesco Asian Bond Fund will be amended notably by amending the definition of Asian issuers and clarifying the asset allocation strategy, as follows:

<table>
<tr><th>Current investment objective and policy</th><th>New investment objective and policy as of the Effective Date</th></tr>
<tr><td>The objective of the Fund is to generate income and long term capital appreciation by investing in Asian debt securities. The Fund will seek to achieve the investment objective by investing primarily in a portfolio of both investment grade and non-investment grade debt securities (including unrated debt securities and convertibles) which include the following:

- debt securities issued/guaranteed by the governments, local authorities/public authorities of Asian countries, or

- debt securities issued/guaranteed by entities which are listed on exchanges of Asian countries carrying out business predominantly in Asia, or

- debt securities denominated in currencies of Asian countries, which may be issued/ guaranteed by governments, authorities or entities other than those described above.

Not more than 10% of the Fund’s assets will be directly or indirectly invested in China onshore debt securities listed on the Shanghai or Shenzhen Stock Exchanges through Invesco’s QFII quota.

Up to 30% of the Fund’s assets may be invested in cash and cash equivalents, and debt securities not meeting the above requirements, of issuers worldwide and denominated in any currency.

The Fund may invest up to 20% of its NAV in contingent convertibles.

For the purposes of the Fund, Asian countries have been defined as all countries in Asia excluding Japan but including Australia and New Zealand.</td><td>The objective of the Fund is to generate income and long term capital growth. The Fund seeks to achieve its objective by investing primarily in Asian debt securities, which may include investment grade, non-investment grade, unrated debt securities and convertibles.

Asian debt securities shall include debt issued or guaranteed by Asian governments, local authorities/public authorities and corporates denominated in hard currencies (i.e. globally traded major currencies). Asian corporate issuers shall be understood to mean issuers or guarantors which (i) have their registered offices or headquarters located in an Asian country or (ii) carry out their business activities predominantly (50% or more by revenue, profit, asset or production) in Asia.

The asset allocation employed by the investment manager is largely unconstrained in nature with no minimum/maximum allocation to specific countries, sectors and/or credit quality.

Up to 30% of the Fund’s assets may be invested in cash and cash equivalents, and debt securities not meeting the above requirements, of issuers worldwide and denominated in any currency.

The Fund may invest up to 20% of its NAV in contingent convertibles.

For the purposes of the Fund, Asian countries have been defined as all countries in Asia excluding Japan but including Australia and New Zealand.</td></tr>
</table>

While there will be changes to the features of the Fund, these changes will not normally alter the Fund’s risk profile, as they are made in order to align more closely with the investment team’s view on the definition of Asian corporate issuers and to clarify that the primary exposure to Asian debt securities shall include debt issued or guaranteed by Asian governments, local authorities/public authorities and corporates denominated in hard currencies. The clarification has been made by the removal of “debt securities denominated in currencies of Asian countries, which may be issued/guaranteed by governments, authorities or entities other than those descried above” from the primary exposure and reflecting that the investment team would only allocate to Asian debt securities denominated in hard currencies as part of the primary exposure. Although the investment team can continue to allocate to Asian and non-Asian debt securities denominated in currencies of Asian countries, they would now be categorized as part of the ancillary 30% exposure by relying on the following language: "Up to 30% of the Fund's assets may be invested in cash, cash equivalents, **and debt securities not meeting the above requirements, of issuers worldwide and denominated in any currency**."

For the avoidance of doubt, there is no change to the way the Fund invests in debt issued or guaranteed by Asian governments and local authorities/public authorities other than the clarification outlined above. The changes will not materially prejudice the interests of existing investors and there will be no material change in the operation and/or manner in which the Fund is being managed. There will be no change in the fee structure, the fee level or cost in managing the Fund. The costs and expenses incurred in connection with the changes, including legal and administrative costs, will be borne by the Management Company.

F. Clarification of the investment objective and policy of Invesco Energy Fund and Invesco Global Consumer Trends Fund

The investment objective and policy of the Invesco Energy Fund and Invesco Global Consumer Trends Fund will be clarified by replacing the word "international" with "global" to better reflect that both funds invest globally, including in the U.S. market, as the Directors consider that the word "international" can potentially be interpreted as "global ex U.S.".

This clarification will not impact the interests of existing investors, the operation and/or the way in which the Invesco Energy Fund and the Invesco Global Consumer Trends Fund are being managed or their risk profile.

G. Clarification of the investment objective and policy of Invesco India Bond Fund, Invesco India Equity Fund and Invesco India All-Cap Equity Fund‡

The investment objective and policy of the Invesco India Bond Fund will be clarified by reducing the maximum proportion of the NAV that may be invested in contingent convertibles from 20% to 10% of the NAV of the Fund.

In addition, the following sentence around the Fund's currency hedging policy will be removed:

"Non-USD investments are intended to be hedged back into USD at the discretion of the Investment Manager."

This clarification is made to align more closely with the existing practice where the hedging practice is discretionary and not systematic to the investment process. Furthermore, the current investment policy already allows the use of derivatives for hedging purposes. As a result, removing the sentence does not preclude the investment manager's ability to hedge non-USD exposure at their discretion in the future.

This clarification will not impact the interests of existing investors, the operation and/or the way in which the Invesco India Bond Fund is being managed or its risk profile.

Apart from the above clarification, as currently provided in the Prospectus, the Invesco India Equity Fund may invest a proportion of its NAV in India through Invesco India (Mauritius) Limited (the "Subsidiary I"). Since 25 September 2018, however, Invesco India Equity Fund is no longer invested through the Subsidiary I, which is being wound up, hence the Prospectus will be amended to indicate this. Furthermore, additional details related to the investment via the Subsidiary I have been removed, as this is no longer applicable.

‡ This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

The Invesco India All-Cap Equity Fund‡ formally invested a proportion of its NAV in India through Invesco India (Mauritius) II Limited (the "Subsidiary II"). However, as currently indicated in the Prospectus, since 29 August 2017, the Invesco India All-Cap Equity Fund‡ is no longer invested through the Subsidiary II and the Subsidiary II has been wound up. As a consequence of such winding-up, references to the Subsidiary II will be removed.

As a consequence of the above, Section 11.2.2.2 of the Prospectus related to the India-Mauritius double taxation treaty will be deleted.

This change will have no impact on how the Invesco India All-Cap Equity Fund‡ and the Invesco India Equity Fund are being managed nor on their risk profile.

H. Bond Connect

From the Effective Date, the Prospectus will be amended to include disclosures relating to Bond Connect as various Funds will seek to access bonds traded on the China Interbank Bonds Market through Bond Connect. The expected exposure to be gained through Bond Connect will be less than 10% of the NAV of each impacted Fund. As at the Effective Date, the following Funds of the SICAV will seek to use Bond Connect:

1. Invesco Emerging Markets Bond Fund
2. Invesco Emerging Local Currencies Debt Fund
3. Invesco Emerging Markets Corporate Bond Fund
4. Invesco Global High Income Fund
5. Invesco Active Multi-Sector Credit Fund§
6. Invesco Bond Fund§
7. Invesco Emerging Market Flexible Bond Fund§
8. Inesco Global Moderate Allocation Fund§
9. Invesco Strategic Income Fund§
10. Invesco Unconstrained Bond Fund§

The change is consistent with and within the existing investment strategy of the above impacted Funds as disclosed in the Prospectus. For the avoidance of doubt, there will not be material change to the investment objective and policy or the overall risk profile of any of the impacted Funds and the change will not materially prejudice the interests of existing investors.

I. RMB as a dealing currency

Prior to the Effective Date, subscriptions, distributions and redemptions will be settled in RMB in respect of share classes denominated in RMB, and Shareholders subscribing to or redeeming from Share classes denominated in a currency other than RMB are not allowed to settle in RMB. Similarly, Shareholders cannot switch from a Share class denominated in a currency other than RMB into a Share class denominated in RMB. As of the Effective Date, these restrictions will be removed so that Shareholders will be able to subscribe and redeem in RMB, regardless of the currency the share class is denominated in, and will also be able to subscribe and redeem in RMB denominated Share classes in currencies other than RMB. As a result, RMB will become aligned to the other dealing currencies, whereby multi-currency dealing is applicable.

For the avoidance of doubt RMB refers to offshore Renminbi ("CNH"), the lawful currency traded primarily in Hong Kong and not to onshore Renminbi ("CNY"), the lawful currency traded in Mainland China.

There will be no change to the investment objective and policy or the overall risk profile of any of the impacted Funds and the change will benefit as opposed to prejudice the interests of existing investors.

§ This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

J. Change of method of calculation of the global exposure of the Invesco Global Bond Fund** and the Invesco Sustainable Allocation Fund**

From the Effective Date, the methodology used to calculate the global exposure of the Invesco Global Bond Fund and the Invesco Sustainable Allocation Fund will be amended from a relative to an absolute Value at Risk (VaR) approach. Indeed, further to the ongoing review of the Funds' risk profile and adequacy of the global exposure methodology, it was concluded that no reference portfolio could adequately capture the risk profile of the Funds and that the absolute VaR is the appropriate methodology for these Funds.

The change will not change the way the Invesco Global Bond Fund and the Invesco Sustainable Allocation Fund are managed.

K. Miscellaneous Updates

From the Effective Date the following changes will be made to the Prospectus and/or the relevant Product Key Facts Statements:

1. In respect of the Invesco Continental European Small Cap Equity Fund, reduction of the management fee for the A and B share classes from 2.00% to 1.50% and for the C share class from 1.50% to 1.00%;
2. Reduction of the expected level of leverage of Invesco Asia Balanced Fund from 70% to 20%;
3. Update of disclosures relating to Stock Connect;
4. Addition of disclosures concerning contingent convertibles risk in the Product Key Facts Statements of Invesco Asian Bond Fund, Invesco Emerging Markets Bond Fund, Invesco Emerging Market Corporate Bond Fund, Invesco Euro Corporate Bond Fund, Invesco Global High Income Fund, Invesco India Bond Fund, Invesco US High Yield Bond Fund and Invesco Asia Balanced Fund to comply with the new disclosure requirements arising from the implementation of the New Code in respect of instruments with loss-absorption features, although each of these Funds invests less than 30% of its NAV in contingent convertibles (this update does not impact the features and risks applicable to each Fund and will not impact the interests of existing investors, the operation and/or the way in which the Funds are being managed or their risk profile);
5. Removal of references to Invesco's QFII quota from the investment objective and policy of Invesco Asian Bond Fund and Invesco China Focus Equity Fund as well as the risk disclosures related to QFII and RQFII, as it is no longer intended to make use of QFII and RQFII quotas in the Funds' investments; and
6. Update of the names of benchmarks used to calculate the global exposure in respect of the following Funds, with no impact on how they are managed: Invesco Continental European Small Cap Equity Fund; Invesco Latin American Equity Fund; Invesco Euro Equity Fund; Invesco ASEAN Equity Fund; Invesco Korean Equity Fund; Invesco Emerging Local Currencies Debt Fund; Invesco Euro Corporate Bond Fund; Invesco US High Yield Bond Fund; and Invesco Asia Balanced Fund.

There will be no material change to the investment objective and policy or the overall risk profile of any of the above impacted Funds, and the above changes will not impact the interests of existing investors.

** This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

L. Availability of documents and additional information

Do you require additional information?

The updated Prospectus and the updated Product Key Facts Statements will be available to Hong Kong investors on www.invesco.com.hk†† from the Effective Date.

Do you have any queries in relation to the above? Or would like information on other products in the Invesco range of funds that are authorised for sale in your jurisdiction? Please contact Invesco Asset Management Asia Limited at (+852) 3191 8282.

M. Further information

The value of investments and the income generated from investment can fluctuate (this may partly be the result of exchange rate fluctuations). Investors may not get back the full amount invested.

You may contact the SICAV's Hong Kong Sub-Distributor and Representative, Invesco Asset Management Asia Limited on telephone number (+852) 3191 8282. Soft copies of the Prospectus, Product Key Facts Statements and financial reports of the SICAV are available on the Hong Kong website www.invesco.com.hk††, while printed copies may be obtained free of charge from Invesco Asset Management Asia Limited registered at 41/F Champion Tower, Three Garden Road, Central Hong Kong.

You have transferred all of your Shares in a sub-fund of Invesco Funds?

- Please pass this circular to the transferee or to the stockbroker, bank or other agent through whom the transfer was effected for transmission to the transferee as soon as possible.

Thank you for taking the time to read this communication.

Yours faithfully,

By order of the Board of Directors

Acknowledged by Invesco Management S.A.

†† This website has not been reviewed by the SFC.

Appendix 1

Invesco Emerging Markets Bond Fund

Existing (Until 17 March 2019)	Proposed (As of 18 March 2019)
Investment Objective and Policy The Fund aims to achieve a high level of income together with long term capital growth. The Fund seeks to achieve its objective by investing primarily (at least 70% of the net asset value of the Fund) in debt securities of issuers in emerging market countries, which may be listed or traded elsewhere. Debt securities will include but are not limited to debt securities issued by governments, local authorities, public authorities, quasi-sovereigns, supranational bodies, public international bodies as well as corporates and convertibles. The Fund may invest up to 10% of its net asset value in contingent convertibles. The Fund may invest up to 20% of its net asset value in securities which are either in default or deemed to be at high risk of default as determined by the SICAV. Up to 30% of the net asset value of the Fund may be invested in cash and cash equivalents, money market instruments and other eligible transferable securities not meeting the above requirements. In addition, the Investment Manager may seek to gain exposure to such debt securities by investing up to 10% of its net asset value in structured notes, including credit-linked notes, deposit-linked notes and notes linked to a total return swap. The Investment Manager will use these structured notes where investing directly into debt securities issued by governments, local authorities and public authorities is not possible or is unattractive, for example, due to restrictions on foreign money inflows. These structured notes will be freely transferable and will not be leveraged. For the purposes of the Fund, the Investment Manager has defined emerging countries as all the countries in the world other than (i) members of the European Union that the Investment Manager regards as developed countries, (ii) United States of America, (iii) Canada, (iv) Japan, (v) Australia, (vi) New Zealand, (vii) Norway, (viii) Switzerland, (ix) Hong Kong and (x) Singapore. Not more than 10% of the net asset value of the Fund may be invested in securities issued by or guaranteed by a country which is unrated and/or whose credit rating is below investment grade (as rated by the major recognised credit rating agencies including but	**Investment Objective and Policy** The Fund aims to achieve a high level of income together with long term capital growth. The Fund seeks to achieve its objective by investing primarily (at least 70% of the net asset value of the Fund) in debt securities of issuers in emerging market countries, which may be listed or traded elsewhere. Debt securities will include but are not limited to debt securities issued by governments, local authorities, public authorities, quasi-sovereigns, supranational bodies, public international bodies as well as corporates and convertibles. The Fund may invest up to 10% of its net asset value in contingent convertibles. The Fund may invest up to 20% of its net asset value in securities which are either in default or deemed to be at high risk of default as determined by the SICAV. The Fund may access China onshore bonds in the China Interbank Bond Market ("CIBM") via Bond Connect for less than 10% of its NAV. Up to 30% of the net asset value of the Fund may be invested in cash and cash equivalents, money market instruments and other eligible transferable securities not meeting the above requirements. In addition, the Investment Manager may seek to gain exposure to such debt securities by investing up to 10% of its net asset value in structured notes, including credit-linked notes, deposit-linked notes and notes linked to a total return swap. The Investment Manager will use these structured notes where investing directly into debt securities issued by governments, local authorities and public authorities is not possible or is unattractive, for example, due to restrictions on foreign money inflows. These structured notes will be freely transferable and will not be leveraged. For the purposes of the Fund, the Investment Manager has defined emerging countries as all the countries in the world other than (i) members of the European Union that the Investment Manager regards as developed countries, (ii) United Kingdom, (iii) United States of America, (iv) Canada, (v) Japan, (vi) Australia, (vii) New Zealand, (viii) Norway, (ix) Switzerland, (x) Hong Kong and (xi) Singapore. Not more than 10% of the net asset value of the Fund may be invested in securities issued by or guaranteed

not limited to Standard & Poor's, Fitch and Moody's). For the avoidance of doubt, this restriction does not apply to securities issued by quasi-sovereigns (i.e. not being a government, public or local authority) and other types of debt securities which are not subject to any minimum credit rating requirements. The Fund may invest up to 100% of its NAV in debt securities which are unrated (debt securities which are not rated by any international rating agency such as Moody's, Standard & Poor's and Fitch) or rated below investment grade (below investment grade is defined as credit rating that is below BBB- from Standard & Poor's and Fitch, or below Baa3 from Moody's or an equivalent rating from an internationally recognized rating agency). <u>The Fund may use derivatives (including but not limited to futures, forwards, non-deliverable forwards, swaps and complex options structures) for hedging and efficient portfolio management purposes. Such derivatives may also incorporate derivatives on derivatives (i.e. forward dated swaps, swap options). However, financial derivative instruments will not be extensively used for investment purposes (i.e. entering into financial derivative instruments to achieve the investment objectives).</u>	by a country which is unrated and/or whose credit rating is below investment grade (as rated by the major recognised credit rating agencies including but not limited to Standard & Poor's, Fitch and Moody's). For the avoidance of doubt, this restriction does not apply to securities issued by quasi-sovereigns (i.e. not being a government, public or local authority) and other types of debt securities which are not subject to any minimum credit rating requirements. The Fund may invest up to 100% of its NAV in debt securities which are unrated (debt securities which are not rated by any international rating agency such as Moody's, Standard & Poor's and Fitch) or rated below investment grade (below investment grade is defined as credit rating that is below BBB- from Standard & Poor's and Fitch, or below Baa3 from Moody's or an equivalent rating from an internationally recognized rating agency). <u>The Fund may enter into financial derivatives instruments for efficient portfolio management, hedging purposes and not extensively for investment purposes. The Fund's use of derivatives may include derivatives on credit, rates, currencies and volatility and may be used to achieve both long and short positions, which overall will not result in the Fund being directionally short or short any asset class. In addition, the Fund will not have uncovered short positions, in line with appropriate UCITS regulatory requirements. The Fund may also use derivatives on equities, where the Fund Manager believes that such investment could reduce drawdowns. The long and short active financial derivative positions (including active currency/interest rate/credit/volatility and equity positions) implemented by the Fund may not be correlated with the underlying securities positions held by the Fund (i.e. debt securities).</u> <u>The expected level of leverage of the Fund calculated using the commitment approach is 0 to 40% of the net asset value of the Fund. The level of leverage of the Fund using the commitment approach is expressed as a ratio between the market value of the equivalent position in the underlying assets of the financial derivative instruments (taking into account the possible netting and hedging arrangements) and its net asset value.</u> <u>The expected proportion of the net asset value of the Fund to total return swaps is 5%. Under normal circumstances, the maximum proportion of the net asset value of the Fund subject to total return swaps is 30%.</u>

Appendix 2

Invesco Global High Income Fund

Existing (Until 17 March 2019)	Proposed (As of 18 March 2019)
Investment Objective and Policy The Fund aims to achieve a high level of income together with long term capital growth. The Fund seeks to achieve its objective by investing primarily (at least 70% of the net asset value of the Fund) in high yield debt securities issued globally and debt securities from issuers in emerging market countries, which may be listed or traded elsewhere. Debt securities will include but are not limited to debt securities issued by governments, local authorities, public authorities, quasi-sovereigns, supranational bodies, public international bodies as well as corporates and convertibles. The Fund may invest up to 10% of its net asset value in contingent convertibles. The Fund may invest up to 20% of its net asset value in securities which are either in default or deemed to be at high risk of default as determined by the SICAV. In addition, the Investment Manager may also seek to gain exposure to such debt securities by investing up to 10% of its net asset value in structured notes, including credit-linked notes, deposit-linked notes and notes linked to a total return swap. The Investment Manager will use these structured notes where investing directly into debt securities issued by governments, local authorities and public authorities is not possible or is unattractive, for example, due to restrictions on foreign money inflows. These structured notes will be freely transferable and will not be leveraged. Up to 30% of the net asset value of the Fund may be invested in cash and cash equivalents, money market instruments and other eligible transferable securities not meeting the above requirements. For the purposes of the Fund, the Investment Manager has defined the emerging countries as all the countries in the world other than (i) members of the European Union that the Investment Manager regards as developed countries, (ii) United States of America, (iii) Canada, (iv) Japan, (v) Australia, (vi) New Zealand, (vii) Norway, (viii) Switzerland, (ix) Hong Kong and (x) Singapore. Not more than 10% of the net asset value of the Fund may be invested in securities issued by or guaranteed by a country which is unrated and/or whose credit rating is below investment grade (as rated by the	**Investment Objective and Policy** The Fund aims to achieve a high level of income together with long term capital growth. The Fund seeks to achieve its objective by investing primarily (at least 70% of the net asset value of the Fund) in high yield debt securities issued globally and debt securities from issuers in emerging market countries, which may be listed or traded elsewhere. Debt securities will include but are not limited to debt securities issued by governments, local authorities, public authorities, quasi-sovereigns, supranational bodies, public international bodies as well as corporates and convertibles. The Fund may invest up to 10% of its net asset value in contingent convertibles. The Fund may invest up to 20% of its net asset value in securities which are either in default or deemed to be at high risk of default as determined by the SICAV. The Fund may access China onshore bonds in the China Interbank Bond Market ("CIBM") via Bond Connect for less than 10% of its NAV. In addition, the Investment Manager may also seek to gain exposure to such debt securities by investing up to 10% of its net asset value in structured notes, including credit-linked notes, deposit-linked notes and notes linked to a total return swap. The Investment Manager will use these structured notes where investing directly into debt securities issued by governments, local authorities and public authorities is not possible or is unattractive, for example, due to restrictions on foreign money inflows. These structured notes will be freely transferable and will not be leveraged. Up to 30% of the net asset value of the Fund may be invested in cash and cash equivalents, money market instruments and other eligible transferable securities not meeting the above requirements. For the purposes of the Fund, the Investment Manager has defined the emerging countries as all the countries in the world other than (i) members of the European Union that the Investment Manager regards as developed countries, (ii) United Kingdom; (iii) United States of America, (iv) Canada, (v) Japan, (vi) Australia, (vii) New Zealand, (viii) Norway, (ix) Switzerland, (x) Hong Kong and (xi) Singapore. Not more than 10% of the net asset value of the Fund

major recognised credit rating agencies including but not limited to Standard & Poor’s, Fitch and Moody’s). For the avoidance of doubt, this restriction does not apply to securities issued by quasi-sovereigns (i.e. not being a government, public or local authority) and other types of debt securities, which are not subject to any minimum credit rating requirements. The Fund may invest up to 100% of its NAV in debt securities which are unrated (debt securities which are not rated by any international rating agency such as Moody’s, Standard & Poor’s and Fitch) or rated below investment grade (below investment grade is defined as credit rating that is below BBB- from Standard & Poor’s and Fitch, or below Baa3 from Moody’s or an equivalent rating from an internationally recognized rating agency). The Fund may use derivatives (including but not limited to futures, forwards, non-deliverable forwards, swaps and complex options structures) for hedging and efficient portfolio management purposes. Such derivatives may also incorporate derivatives on derivatives (i.e. forward dated swaps, swap options). However, financial derivative instruments will not be extensively used for investment purposes (i.e. entering into financial derivative instruments to achieve the investment objectives).	may be invested in securities issued by or guaranteed by a country which is unrated and/or whose credit rating is below investment grade (as rated by the major recognised credit rating agencies including but not limited to Standard & Poor’s, Fitch and Moody’s). For the avoidance of doubt, this restriction does not apply to securities issued by quasi-sovereigns (i.e. not being a government, public or local authority) and other types of debt securities, which are not subject to any minimum credit rating requirements. The Fund may invest up to 100% of its NAV in debt securities which are unrated (debt securities which are not rated by any international rating agency such as Moody’s, Standard & Poor’s and Fitch) or rated below investment grade (below investment grade is defined as credit rating that is below BBB- from Standard & Poor’s and Fitch, or below Baa3 from Moody’s or an equivalent rating from an internationally recognized rating agency). The Fund may enter into financial derivatives instruments for efficient portfolio management, hedging purposes and not extensively for investment purposes. The Fund’s use of derivatives may include derivatives on credit, rates, currencies and volatility and may be used to achieve both long and short positions, which overall will not result in the Fund being directionally short or short any asset class. In addition, the Fund will not have uncovered short positions, in line with appropriate UCITS regulatory requirements. The Fund may also use derivatives on equities, where the Fund Manager believes that such investment could reduce drawdowns. The long and short active financial derivative positions (including active currency/interest rate/credit/volatility and equity positions) implemented by the Fund may not be correlated with the underlying securities positions held by the Fund (i.e. debt securities). The expected level of leverage of the Fund calculated using the commitment approach is 0 to 40% of the net asset value of the Fund. The level of leverage of the Fund using the commitment approach is expressed as a ratio between the market value of the equivalent position in the underlying assets of the financial derivative instruments (taking into account the possible netting and hedging arrangements) and its net asset value. The expected proportion of the net asset value of the Fund to total return swaps is 5%. Under normal circumstances, the maximum proportion of the net asset value of the Fund subject to total return swaps is 30%.

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LEGG MASON GLOBAL FUNDS PLC
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2, Ireland

14 February 2019

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE YOU SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.

This is not a proxy form and as such does not require you to vote. This document is important, however, and requires your attention. If you are in any doubt as to the action you should take you should seek advice from your investment consultant. However, unless you wish to place an order to purchase, redeem or exchange shares of Legg Mason Global Funds Plc (the "Company"), you do not need to act following receipt of this document.

If you have sold or transferred all of your shares in the Company, please pass this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee as soon as possible.

Unless otherwise defined in this document, all capitalised terms have the same meaning as capitalised terms used in the Company's latest Hong Kong Extract Prospectus (the "Hong Kong Extract Prospectus"). Copies of the Hong Kong Extract Prospectus and the Product Key Facts Statements of the funds of the Company authorized by the Securities and Futures Commission ("SFC") (together the "Hong Kong Offering Documents"), as well as the Constitution and the latest annual and semi-annual reports of the Company are available free of charge upon request during normal business hours from your distributor or the Hong Kong Representative. The latest Hong Kong Offering Documents are also available at http://www.leggmason.com.hk/[1]

The Directors of the Company accept full responsibility for the accuracy of the information contained in this notice and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

Dear Shareholder,

RE: Amendments to the Hong Kong Offering Documents

We are writing to you, a shareholder in the Company, to notify you of certain changes that are to be made to the SFC authorized funds of the Company and updates/amendments to the Hong Kong Offering Documents, which are summarised as follows:

I. <u>Changes Relevant to All Funds</u>

1. Appointment of management company and Changes to Investment Managers and Sub-Investment Managers

[1] This website has not been reviewed by the Securities and Futures Commission of Hong Kong.

The Company is currently a self-managed fund. The Hong Kong Offering Documents will be updated to reflect, among others, the appointment of Legg Mason Investments (Ireland) Limited ("**LMI Ireland**") as the management company of the Company and the SFC authorized funds of the Company, effective from the Effective Date (as defined below). LMI Ireland is authorised by the Central Bank of Ireland to act as management company for Undertakings for Collective Investment in Transferable Securities (UCITS) such as the Company. LMI Ireland will be responsible for the investment management, administration and distribution functions of the Company. Whilst LMI Ireland will be responsible for the investment management of the Company, it will at all times delegate such functions to its investment delegates. With the appointment of LMI Ireland as management company, Legg Mason Investments (Europe) Limited and ClearBridge, LLC will no longer act as Investment Managers for all SFC authorized funds.

All entities currently acting as Sub-Investment Manager for the Funds will be appointed as the new Investment Manager or Sub-Investment Manager (if applicable) to the same Funds by LMI Ireland. For further details, please refer to the table in Schedule A which sets out the existing and new investment management delegation structure for each Fund authorized by the SFC.

The appointment of LMI Ireland and related investment management restructuring is part of the strategy of the Legg Mason Group to establish Ireland as the base for its European operations, in light of the expected exit by the United Kingdom from the European Union.

2. Valuation Basis

Currently, securities other than bonds which are traded on a Regulated Market are valued based on the latest available traded price, and bonds which are traded on a Regulated Market are valued based on the closing bid price. From the Effective Date, the valuation basis for all securities held by the Funds will change to the latest available mid price (the "**Pricing Change**").

The Pricing Change is being made because the latest available mid price is a more uniform standard across global markets.

On the Effective Date, the Pricing Change is expected to affect the Net Asset Value of the Funds and will in turn impact the subscription and redemption prices of the Funds. The impact is expected to be immaterial, although this cannot be guaranteed.

3. Application of Dilution adjustment to Fixed Income Funds

The Pricing Change is expected to impact the application of the dilution adjustment for Fixed Income Funds. In particular, pricing bonds at the mid rather than bid price should allow the Fixed Income Funds (as defined in the Hong Kong Extract Prospectus) to apply dilution adjustments on both subscriptions and redemptions. This will align the dilution adjustment practice for all Funds (except for Legg Mason Western Asset US Government Liquidity Fund). As disclosed in the Hong Kong Extract Prospectus, when pre-determined thresholds for net daily subscriptions or redemptions for a particular Fund are exceeded, the Fund will apply a dilution adjustment to protect shareholders against the costs associated with significant subscriptions or redemptions. In these circumstances the Fund will adjust the Net Asset Value downwards in the case of large net redemptions, or upwards in the case of large net subscriptions . Currently, dilution adjustments are not applied in practice in the event of net redemptions from Fixed Income Funds but are applied in the event of net subscriptions into Fixed Income Funds. In the case of net redemptions, there are no spread/dealing costs to take into account upon the sale of bonds, as they are currently priced at the lowest possible price available (the bid price). Therefore, no dilution adjustment is applied. This will change with mid pricing – there will be a clear spread to take into account upon the sale of bonds, and thus a basis for applying a downward dilution adjustment. The

Pricing Change will allow the Fund to apply this more consistently to both redemptions and subscriptions.

Such changes to the dilution adjustments practice for Fixed Income Funds are immaterial in nature.

4. European Benchmark Regulation

As the 1 January 2020 deadline for EU benchmark providers to apply for authorisation or registration with the ESMA benchmark register approaches, the Company is ensuring that benchmarks used by the Funds are progressively included in the register and updating the Hong Kong Extract Prospectus accordingly. However, there is no change as to how the Funds are being managed despite the update to the regulations.

The Company's plan in the event of a material change or cessation of a benchmark will also be reflected in the Hong Kong Extract Prospectus.

5. Securitisation Regulation

Disclosure is being added to describe new EU securitisation regulation applicable to the Funds. Securitisations are a type of debt instrument whereby the credit risk associated with the securitisation's exposure is divided into portions (called tranches). Under the new rules, those Funds that buy securitisations may only buy those securitisations whose issuer, sponsor or original lender retains at least a 5% net economic interest in the securitisation. An effect of this regulation is that certain securitisations which were previously eligible for purchase by the Funds are no longer eligible. However, it is not intended to change as to how the Funds are being managed despite the update to the regulations.

II. <u>Changes to Certain Funds</u>

The Hong Kong Offering Documents of the following Funds will be updated to reflect the inclusion of credit-linked notes as an additional instrument type in which the following Funds may invest as part their respective existing investment objectives and policies:

(i) Legg Mason Western Asset Global Multi Strategy Fund
(ii) Legg Mason Western Asset Short Duration High Income Bond Fund
(iii) Legg Mason Western Asset US Core Bond Fund
(iv) Legg Mason Western Asset US Core Plus Bond Fund

Such credit-linked notes may contain embedded derivatives and/or leverage.

III. <u>Impact and Effective Date of the Changes</u>

The changes set out in this notice do not affect the overall features and risk profile of the relevant Funds, nor will they materially prejudice the rights or interests of existing Shareholders of the relevant Funds. There will also be no material change in the operation and/or manner in which the relevant Funds are being managed and there will be no change in the fee structure, the fee level or cost in managing the relevant Funds.

The costs and expenses incurred which arise from or are incidental to the above changes will be borne by the Legg Mason Investments (Europe) Limited, including legal and administrative costs.

All changes set out in this notice will take effect on the date the revised Irish Prospectus (reflecting the abovementioned changes) have been approved by the Central Bank of Ireland (the "**Effective Date**"). It is expected that the Effective Date will be on or about 22 March 2019. If the Central Bank of Ireland does not approve these changes, the changes will not be effective.

The Hong Kong Offering Documents will be updated to reflect the abovementioned changes as necessary in due course.

Redemption of Shares

Shareholders who do not wish to remain in a Fund following the implementation of any of the above changes may redeem their Shares, free of charges from the date of this notice until and excluding the Effective Date by following the usual redemption procedures as set out in the Hong Kong Offering Documents. However, if you deal via any bank, relevant distributor or financial adviser, you should note that they may charge you transaction or adviser fees (as the case may be) in respect of any such redemption request and you should check with such distributor or financial adviser, as necessary.

IV. <u>Enquiries</u>

The Directors consider that the proposed changes are in the best interests of the Shareholders as a whole. Should you have any questions relating to these matters, you should either contact us at the above address or alternatively you should contact your financial advisor, your distributor or the Hong Kong Representative at Suites 1202-03, 12/F, York House, The Landmark, 15 Queen's Road Central, Hong Kong (Investor Hotline +852 3652 3088).

Yours sincerely,

Director
For and on behalf of
Legg Mason Global Funds Plc

Schedule A
Existing and new investment management delegation structure of Funds authorized by the SFC

The table below sets out the existing Investment Managers and Sub-Investment Managers and the new line-up of Investment Managers and Sub-Investment Managers for each Fund authorized by the SFC. Note that under the new investment management delegation structure, LMI Ireland will be appointed as the management company of the Company. LMI Ireland shall at all times delegate its investment management functions to the new Investment Managers, and where applicable the new Investment Managers will further delegate such functions to the Sub-Investment Managers.

		CURRENT (i.e. prior to Effective Date)		**NEW (i.e. from Effective Date)**	
	Fund Name	**Investment Manager**	**Sub-investment manager(s)**	**Investment Manager**	**Sub-Investment Manager(s)**
1	Legg Mason Brandywine Global Fixed Income Fund	Legg Mason Investments (Europe) Limited	Brandywine Global Investment Management, LLC	Brandywine Global Investment Management, LLC	None
2	Legg Mason ClearBridge Growth Fund	Legg Mason Investments (Europe) Limited	ClearBridge, LLC	ClearBridge, LLC	None
3	Legg Mason ClearBridge US Aggressive Growth Fund	Legg Mason Investments (Europe) Limited	ClearBridge Investments, LLC	ClearBridge Investments, LLC	None
4	Legg Mason ClearBridge US Appreciation Fund	Legg Mason Investments (Europe) Limited	ClearBridge Investments, LLC	ClearBridge Investments, LLC	None
5	Legg Mason ClearBridge US Large Cap Growth Fund	Legg Mason Investments (Europe) Limited	ClearBridge Investments, LLC	ClearBridge Investments, LLC	None
6	Legg Mason ClearBridge Value Fund	ClearBridge, LLC	None	ClearBridge Investments, LLC	None
7	Legg Mason ClearBridge Tactical Dividend Income Fund	Legg Mason Investments (Europe) Limited	ClearBridge Investments, LLC	ClearBridge Investments, LLC	None
8	Legg Mason QS Emerging Markets Equity Fund	Legg Mason Investments (Europe) Limited	QS Investors, LLC	QS Investors, LLC	None
9	Legg Mason QS MV Asia Pacific ex Japan Equity Growth and Income Fund	Legg Mason Investments (Europe) Limited	QS Investors, LLC	QS Investors, LLC	None
10	Legg Mason QS MV European Equity Growth and Income Fund	Legg Mason Investments (Europe) Limited	QS Investors, LLC	QS Investors, LLC	None
11	Legg Mason QS MV Global Equity Growth and Income Fund	Legg Mason Investments (Europe) Limited	QS Investors, LLC	QS Investors, LLC	None
12	Legg Mason QS US Large Cap Fund	Legg Mason Investments (Europe) Limited	QS Investors, LLC	QS Investors, LLC	None
13	Legg Mason Royce US Small Cap Opportunity Fund	Legg Mason Investments (Europe) Limited	Royce & Associates, LP	Royce & Associates, LP	None
14	Legg Mason Royce US Smaller Companies Fund	Legg Mason Investments (Europe) Limited	Royce & Associates, LP	Royce & Associates, LP	None
15	Legg Mason Western Asset Asian Income Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC*, Western Asset Management Company Limited and Western Asset Management Company Pte. Ltd	Western Asset Management Company Limited	Western Asset Management Company, LLC*, Western Asset Management Company Pte. Ltd

16	Legg Mason Western Asset Asian Opportunities Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC*, Western Asset Management Company Limited and Western Asset Management Company Pte. Ltd	Western Asset Management Company Limited	Western Asset Management Company, LLC*, Western Asset Management Company Pte. Ltd
17	Legg Mason Western Asset Emerging Markets Corporate Bond Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC*, Western Asset Management Company Limited, Western Asset Management Company Distribuidora de Títulos e Varoles Mobiliarios Limitada, Western Asset Management Company Pte. Ltd and Western Asset Management Company Ltd	Western Asset Management Company Limited	Western Asset Management Company, LLC*, Western Asset Management Company Distribuidora de Títulos e Varoles Mobiliarios Limitada, Western Asset Management Company Pte. Ltd, Western Asset Management Company Ltd
18	Legg Mason Western Asset Emerging Markets Total Return Bond Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*
19	Legg Mason Western Asset Euro Core Plus Bond Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*
20	Legg Mason Western Asset Euro High Yield Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC*, Western Asset Management Company Limited and Western Asset Management Company Pte. Ltd	Western Asset Management Company Limited	Western Asset Management Company, LLC*, Western Asset Management Company Pte. Ltd
21	Legg Mason Western Asset Short Duration Blue Chip Bond Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC*, Western Asset Management Company Limited, Western Asset Management Company Pte. Ltd and Western Asset Management Company Ltd	Western Asset Management Company Limited	Western Asset Management Company, LLC*, Western Asset Management Company Pte. Ltd, Western Asset Management Company Ltd.
22	Legg Mason Western Asset Global High Yield Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC*, Western Asset Management Company Limited and Western Asset Management Company Pte. Ltd	Western Asset Management Company Limited	Western Asset Management Company, LLC*, Western Asset Management Company Pte. Ltd

23	Legg Mason Western Asset Global Inflation Management Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*
24	Legg Mason Western Asset Global Multi Strategy Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*
25	Legg Mason Western Asset Short Duration High Income Bond Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*
26	Legg Mason Western Asset US Adjustable Rate Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*
27	Legg Mason Western Asset US Core Bond Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*
28	Legg Mason Western Asset US Core Plus Bond Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*
29	Legg Mason Western Asset US High Yield Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*
30	Legg Mason Western Asset US Short-Term Government Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*
31	Legg Mason Western Asset US Government Liquidity Fund	Legg Mason Investments (Europe) Limited	Western Asset Management Company, LLC* and Western Asset Management Company Limited	Western Asset Management Company Limited	Western Asset Management Company, LLC*

* Western Asset Management Company changed its name to Western Asset Management Company, LLC, effective 2 May 2018, as notified to the Hong Kong shareholders of the Company on 29 June 2018.

BLACKROCK®

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

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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.

BLACKROCK GLOBAL FUNDS

Registered office: 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg
R.C.S. Luxembourg B6317

11 February 2019

Dear Shareholder

We, BlackRock Asset Management North Asia Limited, as Hong Kong Representative of BlackRock Global Funds (the "**Company**") are writing to advise you of changes that the board of directors (the "**Directors**") proposes to make to the Company and its sub-funds (the "**Funds**").

The changes set out in this letter will take effect from 25 March 2019 (the "**Effective Date**"), unless otherwise stated herein and this letter forms notice to shareholders of the facts set out below.

Terms not defined herein shall have the same meaning as set out in the prospectus dated 8 December 2017 currently in force (available at www.blackrock.com/hk) (the "**Prospectus**"). Investors should note that the website has not been authorised or reviewed by the Securities and Futures Commission ("**SFC**").

1. Changes to the Flexible Multi-Asset Fund ("FMA")

(a) Renaming and change to investment objective and policy

FMA will be renamed as the "ESG Multi-Asset Fund". Additional or amended disclosures will be included in its investment objective and policy, as further detailed in Appendix 1 to this letter, to reflect the decision of the Directors to take into account environmental, social and governance (or "**ESG**") characteristics when selecting FMA's investments. The Prospectus sets out a more detailed definition of "ESG".

As a result, the Investment Adviser intends to exclude, from FMA's portfolio, direct investment in securities of issuers including: issuers which have exposure to, or ties with controversial weapons (nuclear, cluster munitions, biological-chemical, landmines, blinding laser, depleted uranium, or incendiary weapons); issuers deriving over 30% of revenue from thermal coal extraction and generation; tobacco producers and issuers deriving over 15% of revenue from tobacco retailing, distribution and licensing; issuers which produce firearms intended for retail to civilians or deriving over 5% of revenue from the retail of firearms to civilians and issuers of securities that are deemed to have breached one or more of the ten United Nations Global Compact Principles ("**UNGC**"), which cover human rights, labour standards, the environment and anti-corruption. The UNGC is a United Nations initiative to implement universal sustainability principles.

The Investment Adviser also intends to limit direct investment in securities of issuers involved in the production, distribution or licensing of alcoholic products; the ownership or operation of gambling-related activities or facilities; production, supply and mining activities related to nuclear power and production of adult entertainment materials.

Once these changes are made, FMA may perform differently compared to similar funds that do not apply such ESG criteria, for example FMA might forego opportunities to buy certain securities when it might otherwise be advantageous to do so, or might sell securities due to ESG characteristics when it might otherwise be considered disadvantageous to do so. However, whilst these ESG-related exclusions may reduce the range of assets to which FMA may gain exposure, they are not expected to materially impact FMA's risk-return profile, given that FMA is managed as a global total return multi-asset fund (which provides the Investment Adviser with discretion to select FMA's investments).

The changes described above are not expected to materially affect the overall risk profile of FMA. It is intended that the changes to FMA will be beneficial to investors by providing a more ESG-focused investment strategy, adding governance to the existing investment process, and through the reduction of management fees and will not materially prejudice the rights or interests of the existing shareholders of FMA.

(b) Reduction of management fee

The proposed changes to FMA also include a reduction of the management fees for FMA, as set out in Appendix 1 to this letter.

(c) Update to expected level of leverage

Please refer to section 12 of this letter below for further details.

2. Changes to the Global Opportunities Fund ("GOF")

GOF will be renamed as the "Global Long-Horizon Equity Fund" to better reflect the strategy of the Fund. This change will have no other impact on the Fund or the way that it is currently managed.

3. Changes to the New Energy Fund ("NEF")

NEF will be renamed as the "Sustainable Energy Fund" and the words "new energy" in its investment policy will be changed to "sustainable energy", as set out in Appendix 2 to this letter. The new name will better reflect NEF's exposures to the power, transportation and built environment industries, as opposed to "new energy" which could be taken to mean purely wind and solar energy. This will not affect the way NEF is currently managed.

4. Changes to the World Agriculture Fund ("WAF")

(a) Renaming and change to investment policy

WAF will be renamed as the "Nutrition Fund" and its investment policy will be widened to permit WAF to invest in equity securities of both agriculture and food-related companies, as set out in Appendix 3 to this letter. This expansion to the range of available investments is expected to lead to WAF having access to a greater range of investment opportunities, and is expected to assist the Investment Adviser in managing WAF's volatility, through the ability to make investments throughout the food and agriculture value chain.

Following the changes, WAF will continue to be susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the agriculture industry. As a consequence of widening its investment policy to cover food-related companies, WAF will also be subject to the same range of risks as they apply to the food industry.

The changes described above are not expected to materially affect the overall risk profile of WAF or change its expected level of leverage. The changes will not materially prejudice the rights or interests of the existing shareholders of WAF.

(b) Reduction of management fee

The proposed changes to WAF also include a reduction of the management fees for WAF, as set out in Appendix 3 to this letter.

5. China Interbank Bond Market ("CIBM")

Each of the Dynamic High Income Fund and the Global Allocation Fund will be permitted to gain direct exposure to China onshore bonds via CIBM (in addition to the CIBM Funds already named in the Prospectus) for no more than 10% of its total assets.

Risks associated with investment via the CIBM include liquidity and volatility risks, counterparty and settlement risks and regulatory risks, etc. For the specific risks and other details associated with investment via the CIBM, please refer to the Prospectus.

6. Stock Connects

With effect from the Effective Date, the Dynamic High Income Fund will be permitted to invest in China A-Shares via the Stock Connects for no more than 10% of its total assets.

Investment via the Stock Connects involves regulatory risks as the relevant rules and regulations on the Stock Connects are subject to change which may have potential retrospective effect. The Stock Connects are subject to quota limitations. When a suspension in the trading through the Stock Connects is effected, a Stock Connect Fund's ability to invest in China A-Shares through the Stock Connects will be adversely affected. Please refer to the Prospectus for the specific risks and other details associated with investment via the Stock Connects.

Additional disclosures will be included in the Prospectus to provide further information relating to the use of the Stock Connects as a way of enabling Stock Connect Funds to invest in China A-Shares. Investors should read the relevant provisions in the Company's revised Prospectus reflecting the additional disclosures in force on the Effective Date. This clarification will not result in any change to the way any Fund is managed and will not have an adverse impact on the existing shareholders.

7. Review of Portfolio Management of the India Fund

The advisory agreement between DSP BlackRock Investment Managers ("**DSPBIM**") and BlackRock India Equities (Mauritius) Limited, described in the Prospectus, was recently terminated. This change does not involve any cost to shareholders, nor any change to the India Fund's strategy or the way in which it is managed.

Accordingly, DSPBIM no longer acts as a non-discretionary investment adviser to BlackRock India Equities (Mauritius) Limited. BlackRock Asset Management North Asia Limited continues to serve as a sub-adviser of this Fund and has acquired much expertise in this market, therefore the Directors do not consider it necessary to appoint a replacement non-discretionary investment adviser for the India Fund.

8. Investment in Contingent Convertible Bonds, Distressed Securities, Asset-backed Securities ("ABS") and Mortgage-backed Securities ("MBS")

The investment strategy of certain Funds in respect of contingent convertible bonds, distressed securities and/or ABS/MBS will be changed.

Contingent convertible bonds

In simple terms, contingent convertible bonds are fixed-income securities that are convertible into equities if a pre-specified trigger event occurs. 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.

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 relevant Fund to anticipate the trigger events that would require the debt to convert into equity. Furthermore, it might be difficult for the relevant Fund to assess how the securities will behave upon conversion.

Please refer to "**Contingent Convertible Bonds**" in the "**Risk Considerations**" section of the Prospectus for further information regarding the risks associated with investment in contingent convertible bonds.

Distressed securities

In simple terms, distressed securities are securities issued by a company that is either in default or in high risk of default, and investment in distressed securities therefore involves significant risk.

Please refer to "**Distressed Securities**" in the "**Risk Considerations**" section of the Prospectus for further information regarding the risks associated with investment in distressed securities.

ABS/MBS

In simple terms, ABS and MBS are debt securities backed or collateralised by the income stream from an underlying pool of assets or mortgage loans respectively. 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). Please refer to "**Asset-backed Securities ("ABS")**" and "**Mortgage-backed Securities ("MBS")**" in the "Risk Considerations" section of the Prospectus for further information regarding the risks associated with investment in ABS and MBS.

The investment policy of each relevant Fund will be changed as follows and, in light of the risks involved in these investments, and in order to provide shareholders with greater transparency regarding their use, be expanded with appropriate disclosure:

(a) The investment strategy of certain Funds will be changed to enable these Funds to invest in contingent convertible bonds, distressed securities and ABS/MBS. Please refer to the table in Appendix 4A to this letter for details of the relevant Funds and the changes.

(b) The disclosures relating to use of contingent convertible bonds and ABS/MBS relating to certain Funds will be revised from their current threshold levels. Please refer to the table in Appendix 4B to this letter for details of the relevant Funds and the changes.

These thresholds have been added or revised as discussed in paragraphs (a) and (b) above so that the investment policy of each relevant Fund will more clearly and accurately represent how the Investment Adviser wishes to manage the Fund in order to achieve its investment objective. The changes are intended to ensure that the investment characteristics and positioning of these Funds remain both relevant to and consistent with the current investment environment and expectations of shareholders. The Directors believe these changes will be in the best interests of shareholders as they will help create a wider investible universe in order to better manage risk and maximise the performance of the Funds.

There will be no material changes to the investment objectives, policies, strategy or overall risk profiles of these Funds or how these Funds are managed as a result of the changes described in this section 8 (although please note that the New Energy Fund and the World Agriculture Fund are being re-positioned as described in this letter).

9. Change to Name of the Risk Allocation Benchmark for the Global Allocation Fund

The Prospectus will be updated on 11 February 2019 to reflect changes to the names of two components of the risk management benchmark for the Global Allocation Fund, as set out in Appendix 5 to this letter. There is no change to the benchmark itself.

10. Change to Management Fee for the European High Yield Bond Fund A Share Class

With effect from the Effective Date, the Management Fee for the A Share Class of this Fund will be reduced from 1.25% to 1.00%. The Directors consider that investors will benefit, since their ongoing charges will decrease, based on current level of expenses.

11. Change of Depositary and Fund Accountant entity

Reference is made to the letter to Hong Kong shareholders dated 11 January 2019 in respect of the proposed change of the Depositary and Fund Accountant entity of the Company and the Funds.

We would like to advise you that the proposed entity change will take effect on 11 February 2019 and accordingly, with effect from 11 February 2019, the following entity will replace The Bank of New York Mellon (International) Limited, Luxembourg Branch as the Depositary and the Fund Accountant of the Company and the Funds:

The Bank of New York Mellon SA / NV, Luxembourg Branch
2-4, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

The Bank of New York Mellon SA / NV, Luxembourg Branch was incorporated with limited liability in Belgium on 30 September 2008. Its ultimate holding company is The Bank of New York Mellon Corporation which was incorporated in the United States of America.

12. Changes to Expected Levels of Leverage

The Funds may use derivatives for the purposes of efficient portfolio management and, where relevant, investment purposes. Leverage is a Fund's investment exposure gained through the use of derivatives. Please refer to the "**Risk Management**" and "**Leverage**" sections in the Prospectus for further details of the Company's risk management policy and leverage calculation.

The expected level of leverage is not a limit and may vary over time. The expected levels of leverage of certain Funds will be revised from their current levels. Please refer to the table in Appendix 6 to this letter for details of the relevant Funds, the changes to the expected levels of leverage and the rationale for the changes. There will be no change to the investment objectives, policies, overall risk profiles or how the relevant Funds are managed as a result of these changes to the expected levels of leverage (although please note that FMA is being re-positioned as described in section 1 of this letter, above).

13. German Investment Tax Act – Change to Equity Threshold for Three Funds

The Management Company aims to manage certain Funds listed in the Prospectus in accordance with the so-called partial exemption regime for equity funds under Sec. 20 para. 1 of the German Investment Tax Act. From the Effective Date, the following Funds, which currently invest at least 51% of their Net Asset Value on a continuous basis directly into equities of corporations which are admitted for trading at a recognised stock exchange or are listed on an organised market, will invest at least 25% of their Net Asset Value on a continuous basis directly into equities of corporations which are admitted for trading at a recognised stock exchange or are listed on an organised market: the ASEAN Leaders Fund, the Asian Growth Leaders Fund and the Emerging Markets Fund. This change to equity thresholds described above will not result in any change to the way the ASEAN Leaders Fund, the Asian Growth Leaders Fund and the Emerging Markets Fund are managed.

14. Net Asset Value and Price Determination: Anti-Dilution

We have taken the opportunity to amend the wording in relation to dilution and the adjustment that is applied by the Directors to reduce the effect of such dilution on the relevant Fund, to reflect certain changes relating to adjustment thresholds and other clarifications, as set out in Appendix 7 to this letter.

Changes relating to adjustment thresholds

Wording will be included to the effect that the Directors may apply multiple thresholds, that is, they may adjust the Net Asset Value of a Fund if on any Dealing Day the value of the aggregate transactions in Shares of all Share Classes of that Fund results in a net increase or decrease which exceeds one or more thresholds that are set by the Directors for that Fund rather than a single threshold.

The magnitude of the adjustment will vary depending on which threshold is triggered. Specifically, each threshold set by the Directors for a Fund will have its own "swing factor", which is the magnitude of adjustment as triggered by the related threshold. Where multiple thresholds are set for a Fund, only the swing factor related to the highest threshold triggered on any Dealing Day will be applied. In any event, the swing factor will be subject to the maximum rate set out in the Prospectus.

The magnitude of such adjustment reflects the estimated costs of trading of a Fund, which vary with the size of net inflows/outflows of such Fund. Therefore, it is in the interests of Shareholders if different swing factors are applied depending on the level of net inflows/outflows of a Fund on any Dealing Day.

Equity Funds, particularly sector Funds and country/area specific Funds, tend to require more thresholds as the costs of trading generally increase with the size of the net inflows/outflows. In contrast, for fixed income Funds, the costs of trading frequently do not significantly change with the size of net inflows/outflows and therefore the number of thresholds required in respect of a fixed income Fund is expected to be fewer.

Furthermore, the wording will be broadened to provide the Directors with discretion and flexibility to decide not to make an adjustment to the Net Asset Value of a Fund where it would not be appropriate to do so. This discretion may include, but is not limited to, Funds that invest primarily in government bonds or money market instruments.

These changes are intended to provide greater investor protection, and aim to reduce the effect of dilution on existing investors within the relevant Fund. It would be in the interests of the shareholders of the relevant Funds to implement these changes.

Clarification relating to fiscal charges

The wording relating to fiscal charges will be clarified to explain that such charges are extraordinary and are distinct from typical duties and levies that are already considered as part of anticipated dealing costs.

Extraordinary fiscal charges are charges imposed by government authorities that are neither standard taxes (such as the European Union Financial Transaction Tax or sales tax) nor duties (such as stamp duties). These fiscal charges are generally temporary in nature and can be indirect. Given that the fiscal charges are imposed by individual countries, which in most cases form only part of a Fund’s portfolio, the fiscal charges are not expected to exceed 2.5%.

There will be no change to the current mechanism of charging the fiscal charges and the fiscal charges imposed will be in addition to any adjustments that is applied to reduce the effect of dilution as set out in this section.

15. Consolidation of Rules Applicable to the Investment Policies of the Company’s Funds

The rules applicable to some or all of the Company’s Funds in relation to investments into China via the RQFII Quota, the Stock Connects and/or CIBM, as well as to investments into non-investment grade sovereign debt, have been incorporated into the investment policies of the relevant Funds.

These editorial amendments have been made for greater clarity and transparency. Save for the changes set out in this letter, there is no change to the applicable investment limits and these editorial amendments do not change the way in which the relevant Funds are managed. These editorial amendments will take effect on 11 February 2019, unless otherwise indicated in the updated Prospectus.

16. Securities Lending

The maximum and expected proportion of the Net Asset Value of certain Funds that can be subject to securities lending as disclosed in the Prospectus will be updated. Please refer to Appendix 8 to this letter for the relevant Funds and the updated figures.

The expected proportion of these Funds’ Net Asset Value that may be subject to securities lending are not considered to be significant. Therefore, the updates would not result in a material change to the investment strategy of these Funds, or any change to their overall risk profiles.

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.

17. Clarification to the Investment Policy of the Dynamic High Income Fund (“DHI”)

The investment policy of DHI in the Information for Residents of Hong Kong (“**IRHK**”) and its Product Key Facts Statement (“**KFS**”) has been clarified as set out in Appendix 9 to this letter to better reflect the investment strategy of the Fund. The clarification has no impact on DHI or the way that it is currently managed.

18. Corrections of Translation/Typeset Errors in IRHK and KFS

Upon review, certain translation and typesetting errors were noted in the KFS of DHI dated April 2018 and in the current Chinese versions, dated November 2018, of the IRHK and KFS of China A-Share Opportunities Fund, US Dollar Bond Fund, World Bond Fund and World Technology Fund. These clerical errors are set out in Appendix 10. The errors in respect of DHI have been rectified in the current KFS of DHI dated November 2018, while the remaining errors will, together with some minor editorial issues, be rectified when the IRHK and KFS are updated to reflect the changes described in this letter.

The translation and typesetting errors do not have any impact on how the Funds are being managed or the Net Asset Value of the Funds. Further, given the context and nature of these errors and that the disclosures in other parts of the Hong Kong offering documents of the relevant contents have been accurate, there are no material adverse impact on the investors and accordingly no compensation would be required. Please be assured that we have implemented certain enhancement to our translation review process to avoid similar incident from happening again. We sincerely apologise for these errors.

19. Change to the Investment Management Arrangement

We would like to advise you of a change to the investment management arrangement of the Funds authorised by the SFC* in Hong Kong (the "**HK Funds**") and its related shareholders notification arrangement, which will take effect on the Effective Date.

Background and existing practice

As disclosed in the section of the Prospectus headed "**Administrative Organisation – 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 section of the Prospectus headed "**Investment Management of the Funds – Investment Advisers and Sub-Advisers**" further discloses that the Management Company has delegated its investment management functions to the Investment Advisers and Sub-Advisers.

As at the date of this letter, the current list of Investment Advisers and Sub-Advisers who are eligible to exercise investment discretion on the HK Funds (the "**List of IA**"), as disclosed in the IRHK and the Prospectus, consists of the following BlackRock Group entities:

Current List of IA:	
BFM	BlackRock Financial Management, Inc.
BIMLLC	BlackRock Investment Management, LLC
BIMUK	BlackRock Investment Management (UK) Limited
BLKAus	BlackRock Investment Management (Australia) Limited
BAMNAL	BlackRock Asset Management North Asia Limited
BLKJ	BlackRock Japan Co. Limited
BLKS	BlackRock (Singapore) Limited

Currently, the IRHK and the KFS contain disclosure on the investment management arrangement for each HK Fund, i.e. the specific Investment Adviser(s) and Sub-Adviser(s) appointed for a particular HK Fund. Under the existing process, the approval of the SFC is sought and one month's prior notice to relevant Hong Kong shareholders is provided each time when there is a change to the investment management arrangement of an HK Fund, following which the disclosure in the IRHK and KFS would be updated to reflect such change.

From the Effective Date onwards

Following an internal review of the existing process as described above, it is considered to be beneficial to the HK Funds if the investment management responsibilities in respect of an HK Fund may be undertaken by different BlackRock Group entities from time to time, so as to utilise expertise globally across the BlackRock Group and to facilitate internal reorganisation of investment personnel in an efficient manner.

As such we hereby notify Hong Kong shareholders that, from the Effective Date onwards, the Company and the HK Funds will adopt a new investment management arrangement under which the Management Company can delegate its investment management functions of the HK Funds to one or more of the approved Investment Advisers and Sub-Advisers within the List of IA (the "**New Arrangement**"). Under the New Arrangement, the Investment Adviser(s) and Sub-Adviser(s) managing an HK Fund may be changed from time to time, without prior notice to the relevant Hong Kong shareholders, provided that such Investment Adviser(s) and Sub-Adviser(s) are from the current List of IA.

Upon the New Arrangement taking effect, the Management Company shall continue to have ongoing supervision and regular monitoring of the competence of its delegates to ensure that its accountability to investors is not diminished. Although the investment management function of the Management Company may be delegated to the Investment Advisers and Sub-Advisers, its responsibilities and obligations may not be delegated.

From the Effective Date onwards, the relevant Investment Adviser(s) and Sub-Adviser(s) responsible for a particular HK Fund will no longer be disclosed in the IRHK and KFS. However, the List of IA will continue to be disclosed in the IRHK. Details of the relevant Investment Adviser(s) and Sub-Adviser(s) responsible for a particular HK Fund will be listed in the interim report and annual report of the Company and will be available from the Hong Kong Representative upon request.

The current List of IA will remain unchanged following the Effective Date. Prior approval will be sought from the SFC and at least one month notification will be given to Hong Kong shareholders should there be any addition of Investment Adviser or Sub-Adviser to the List of IA. For removal of Investment Adviser or Sub-Adviser from the List of IA, prior approval from the SFC will be sought and notice will be given to Hong Kong shareholders as soon as reasonably practicable.

* The SFC's authorisation is not a recommendation or endorsement of the Company or the HK Funds nor does it guarantee the commercial merits of the Company or the HK Funds or their performance. It does not mean the Company or the HK Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

The above change will not result in any change in the fees and expenses borne by the HK Funds and/or their shareholders. The investment objective and policy, risk profile and operations of each of the HK Funds remain unchanged. The change will not materially prejudice the rights or interests of the shareholders of the HK Funds.

Action to be taken by you

Shareholders are not required to take any action in relation to the changes described in this letter. If, however, you do not agree with the changes described in this letter you may redeem your Shares free of any redemption charges at any time prior to the Effective Date, in accordance with the provisions of the Prospectus. If you have any questions regarding the redemption process please contact your local representative or the Hong Kong Representative (see details below).

Redemption proceeds will be paid to shareholders within three Business Days of the relevant Dealing Day, provided that the relevant documents (as described in the Prospectus) have been received.

General Information

The fee and expenses associated with these changes will be paid by the Management Company out of the Administration Fee charged to the Funds. Save as set out in this letter, there is no change in the level of fees payable by the Funds or the shareholders.

The IRHK and KFS of DHI have been updated to reflect the clarification in section 17 of this letter above. Updated versions of the Prospectus, IRHK and KFS of the relevant Funds reflecting the other changes will be available in due course free of charge upon request from your local representative on +852 3903-2688 or at the office of the Hong Kong Representative at the address stated below. Copies of the Company's Articles of Incorporation, annual and semi-annual reports are also available free of charge upon request from your local representative or the Hong Kong Representative.

The Directors accept responsibility for the contents of this letter. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case) the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the impact of such information. The current Hong Kong offering documents are available, free of charge, at the office of the Hong Kong Representative.

If you would like any further information or have any questions regarding this letter, please contact the Company's Hong Kong Representative, BlackRock Asset Management North Asia Limited, at 16/F Champion Tower, 3 Garden Road, Central, Hong Kong or by telephone on +852 3903-2688.

Yours faithfully

BlackRock Asset Management North Asia Limited
Hong Kong Representative

Appendix 1 – Flexible Multi-Asset Fund changes

The amendments made pursuant to the consolidation of rules applicable to the investment policies of the Fund as described in section 15 of this letter are *italicised* below for ease of reference.

Investment Objectives and Policies	
Flexible Multi-Asset Fund (Prior to the Effective Date)	**ESG Multi-Asset Fund** (From the Effective Date)
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. *The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.* *The Fund is a CIBM Fund and may gain direct exposure for no more than 10% of its total assets to onshore bonds distributed in Mainland China in the CIBM via the Foreign Access Regime and/or Bond Connect and/or other means as may be permitted by the relevant regulations from time to time.* As part of its investment objective the Fund may invest up to 20% of its total assets 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. The Fund's exposure to contingent convertible bonds is limited to 20% of total assets. For the purpose of Hong Kong-specific disclosure requirements, the Fund may use derivatives for hedging and extensively for investment purposes. Derivatives such as government bond futures and interest rate swaps may be used for hedging and mitigating interest rate risk. Foreign exchange forwards and futures may be used to minimize currency exposure. In addition to using derivatives for hedging and risk mitigation, the Fund may use derivatives such as futures, foreign exchange derivatives, swaps and options extensively for investment purposes but it is not limited to a particular strategy regarding the derivatives usage. This Fund may have a material 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 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 ***ESG Multi-Asset Fund*** follows an asset allocation policy that seeks to maximise total **return in a manner consistent with the principles of environmental, social and governance "ESG"-focussed investing**. 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 Investment Adviser will, in addition to the investment criteria set out above, take into account ESG characteristics when selecting the securities to be held directly by the Fund (rather than any securities held through undertakings for collective investment). The Investment Adviser intends to exclude direct investment in securities of issuers including: issuers which have exposure to, or ties with controversial weapons (nuclear, cluster munitions, biological-chemical, landmines, blinding laser, depleted uranium, or incendiary weapons); issuers deriving over 30% of revenue from thermal coal extraction and generation; tobacco producers and issuers deriving over 15% of revenue from tobacco retailing, distribution and licensing; issuers which produce firearms intended for retail to civilians or deriving over 5% of revenue from the retail of firearms to civilians and issuers of securities that are deemed to have breached one or more of the ten United Nations Global Compact Principles ("UNGC"), which cover human rights, labour standards, the environment and anti-corruption. The UNGC is a United Nations initiative to implement universal sustainability principles.** **The Investment Adviser also intends to limit direct investment in securities of issuers involved in the production, distribution or licensing of alcoholic products; the ownership or operation of gambling-related activities or facilities; production, supply and mining activities related to nuclear power and production of adult entertainment materials.** **To undertake this analysis and exclusion, the Investment Adviser intends to use data provided by external ESG research providers, proprietary models and local intelligence. The Investment Adviser will exclude any issuer with a MSCI ESG rating below BBB.** 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. *The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.* *The Fund is a CIBM Fund and may gain direct exposure for no more than 10% of its total assets to onshore bonds distributed in Mainland China in the CIBM via the Foreign Access Regime and/or Bond Connect and/or other means as may be permitted by the relevant regulations from time to time.* As part of its investment objective the Fund may invest up to 20% of its total assets 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.

	The Fund’s exposure to contingent convertible bonds is limited to 20% of total assets. For the purpose of Hong Kong-specific disclosure requirements, the Fund may use derivatives for hedging and extensively for investment purposes. Derivatives such as government bond futures and interest rate swaps may be used for hedging and mitigating interest rate risk. Foreign exchange forwards and futures may be used to minimize currency exposure. In addition to using derivatives for hedging and risk mitigation, the Fund may use derivatives such as futures, foreign exchange derivatives, swaps and options extensively for investment purposes but it is not limited to a particular strategy regarding the derivatives usage. This Fund may have a material 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 50% MSCI World Index / 50% Citigroup World Government Bond Euro Hedged Index as the appropriate benchmark. Expected level of leverage of the Fund: **<u>300</u>**% of Net Asset Value.
Changes to Management Fee for FMA, as repositioned to the ESG Multi-Asset Fund	
Current Management Fee applicable to FMA Class A 1.50% Class C 1.50% Class D 0.75%	Management Fee from the Effective Date Class A 1.20% Class C 1.20% Class D 0.65%

Appendix 2 – New Energy Fund changes

The amendments made pursuant to the consolidation of rules applicable to the investment policies of the Fund as described in section 15 of this letter are *italicised* below for ease of reference.

Investment Objectives and Policies	
New Energy Fund (Prior to the Effective Date)	**Sustainable Energy Fund** (From the Effective Date)
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 **<u>new energy</u>** companies. **<u>New energy</u>** 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. The Fund will not invest in companies that are classified in the following sectors (as defined by Global Industry Classification Standard): coal and consumables; oil and gas exploration and production; and integrated oil and gas. *The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.* The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management.	The ***Sustainable Energy Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of **<u>sustainable energy</u>** companies. **<u>Sustainable energy</u>** 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. The Fund will not invest in companies that are classified in the following sectors (as defined by Global Industry Classification Standard): coal and consumables; oil and gas exploration and production; and integrated oil and gas. *The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.* **<u>The Fund's exposure to contingent convertible bonds is limited to 5% of total assets.</u>** The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management.

Appendix 3 – World Agriculture Fund changes

The amendments made pursuant to the consolidation of rules applicable to the investment policies of the Fund as described in section 15 of this letter are *italicised* below for ease of reference.

Investment Objectives and Policies	
World Agriculture Fund (Prior to the Effective Date)	**Nutrition Fund** (From the Effective Date)
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 **<u>agricultural companies</u>**. **<u>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.</u>** *The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.* The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management. Risk management measure used: Commitment Approach.	The ***Nutrition Fund*** seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of companies **<u>engaged in any activity forming part of the food and agriculture value chain, including packaging, processing, distribution, technology, food- and agriculture-related services, seeds, agricultural or food-grade chemicals and food producers.</u>** *The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.* **<u>The Fund's exposure to contingent convertible bonds is limited to 5% of total assets.</u>** The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management. Risk management measure used: Commitment Approach.
Changes to Management Fee for WAF, as repositioned to the Nutrition Fund	
Current Management Fee applicable to WAF Class A 1.75% Class C 1.75% Class D 1.00%	Management Fee from the Effective Date Class A 1.50% Class C 1.50% Class D 0.68%

Appendix 4A – Changes to the investment policies of the Funds

The investment policies of the following Funds will be changed from the Effective Date to reflect that these Funds may invest in contingent convertible bonds, distressed securities and ABS/MBS and the relevant maximum exposures (% of total assets of the relevant Fund) are set out below:

Contingent convertible bonds

Applicable Fund	Maximum exposures (% of total assets)
Continental European Flexible Fund	5%
Emerging Markets Bond Fund	10%
Emerging Markets Corporate Bond Fund	20%
Emerging Markets Local Currency Bond Fund	5%
Euro-Markets Fund	5%
European Equity Income Fund	5%
European Fund	5%
European Special Situations Fund	5%
European Value Fund	5%
Natural Resources Growth & Income Fund	5%
New Energy Fund (to be renamed as the Sustainable Energy Fund)	5%
Swiss Small & MidCap Opportunities Fund	5%
United Kingdom Fund	5%
US Dollar Bond Fund	10%
US Dollar Short Duration Bond Fund	5%
World Agriculture Fund (to be renamed as the Nutrition Fund)	5%
World Energy Fund	5%
World Gold Fund	5%
World Mining Fund	5%

Distressed securities

Applicable Fund	Maximum exposures (% of total assets)
Asian Tiger Bond Fund	10%
Emerging Markets Local Currency Bond Fund	10%
Fixed Income Global Opportunities Fund	10%
Global Allocation Fund	10%
Global Corporate Bond Fund	10%
Global Dynamic Equity Fund	5%
Global Government Bond Fund	10%
Global Multi-Asset Income Fund	10%
US Dollar Bond Fund	10%
World Bond Fund	10%

ABS/MBS

Please also refer to the disclosures set out in section 8 of this letter. The new disclosure in the Prospectus for the US Dollar Reserve Fund will also state the following:

"*The ABS and MBS will generally be issued in the U.S., the securitised assets will be rated investment grade by at least one of the leading credit rating agencies and agency ABS and MBS will carry the same credit rating as the US Government.*"

Applicable Fund	Maximum exposures (% of total assets)
Euro Reserve Fund	15%
US Dollar Reserve Fund	15%

Appendix 4B – Changes to the investment policies of the Funds

The investment policies of the following Funds will be revised from the Effective Date to reflect that the Funds' use of contingent convertible bonds and ABS/MBS will be revised from their current threshold levels and the relevant maximum exposures (% of total assets of the relevant Fund) are set out below:

Contingent convertible bonds

Applicable Fund	Current maximum exposure (% of total assets)	New maximum exposure (% of total assets)
Asian Multi-Asset Growth Fund	20%	10%

ABS/MBS

For the purposes of this Appendix 4B, the relevant full text of the ABS/MBS disclosure in the Prospectus is as follows:

"*As part of its investment objective the Fund may invest up to [X]% of its total assets 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.*"

Applicable Fund	Current maximum exposures (% of total assets)	New maximum exposures (% of total assets)
Asian Multi-Asset Growth Fund	20%	10%
Emerging Markets Bond Fund	20%	0% (i.e. investment in ABS/MBS will no longer be permitted)
Emerging Markets Corporate Bond Fund	20%	0% (i.e. investment in ABS/MBS will no longer be permitted)

Appendix 5 – Changes to the name of risk allocation benchmark for Global Allocation Fund

Investment Objectives and Policies	
Current language (Prior to 11 February 2019)	**Revised language** (From 11 February 2019)
Risk management measure used: Relative VaR using 36% S&P 500 Index, 24% FTSE World Index (Ex-US), **<u>24% 5Yr US Treasury Note, 16% Citigroup Non-USD World Govt Bond Index</u>** as the appropriate benchmark.	Risk management measure used: Relative VaR using 36% S&P 500 Index, 24% FTSE World Index (Ex-US), **<u>24% ICE BofAML Current 5Yr US Treasury Index, 16% FTSE Non-USD World Govt Bond Index</u>** as the appropriate benchmark.

Appendix 6 – Changes to expected leverage levels

Fund	Current expected level of leverage	New expected level of leverage	Rationale for change
Global Corporate Bond Fund	140%	200%	The typical leverage for this Fund has been consistently higher than the currently quoted value. We expect this to continue to be the case due to higher volatility.
Global Government Bond Fund	180%	300%	The typical leverage for this Fund has been consistently higher than the currently quoted value. We expect this to continue to be the case due to higher volatility.
Flexible Multi-Asset Fund (changing to ESG Multi-Asset Fund, as described above)	200%	300%	The Investment Adviser would like to use a greater range of diversifying strategies as permitted by the Fund's existing investment policy, and which will continue to be permitted once ESG screens are added. The current lower expected leverage level means that the Fund may be overly constrained in certain areas such as fixed income and volatility strategies. By increasing the expected leverage, the Investment Adviser aims to increase the range of strategic opportunities for the Fund, increase the opportunity to maximise the return on your investment and reduce risk.
World Bond Fund	150%	250%	The typical leverage for this Fund has been consistently higher than the currently quoted value. We expect this to continue to be the case due to higher volatility.

Appendix 7 – Anti-dilution language changes

Current language (Prior to the Effective Date)	**Revised language** (From the Effective Date)
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.	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 factors such as dealing and brokerage charges, taxes and duties, market movement and any spread between the buying and selling prices of the underlying assets**. Dilution may have an adverse effect on the value of a Fund and therefore impact shareholders. By adjusting the Net Asset Value per Share this effect can be reduced or prevented and shareholders can be protected from the impact of dilution. The Directors may adjust the Net Asset Value of a Fund if on any Dealing Day **the value of the** aggregate transactions in Shares of all **Share** Classes of that Fund results in a net increase or decrease which exceeds **one or more thresholds** that are set by the Directors **for that Fund. The amount by which the Net Asset Value of a Fund may be adjusted on any given Dealing Day is related to the anticipated** cost of market dealing for that Fund. 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. The adjustment will be an addition when the net movement results in an increase **in the value** 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, **particularly in relation to duties and taxes**, the resulting adjustment may be different for net inflows than for net outflows. In addition, the Directors may also agree to include **extraordinary** fiscal charges in the amount of the adjustment. These **extraordinary** fiscal charges vary from market to market and are currently expected not to exceed 2.5% of that Net Asset Value. **Where a Fund invests primarily in certain asset types, such as government bonds or money market securities**, the 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.

Appendix 8 – Securities lending

No.	Fund	Securities lending* Maximum/Expected proportion of the NAV (%)	
		Current proportion (Prior to the Effective Date)	Revised proportion (From the Effective Date)
1.	ASEAN Leaders Fund	100/0-40	**75/0-10**
2.	Asia Pacific Equity Income Fund	100/0-40	**49/0-10**
3.	Asian Dragon Fund	100/0-40	**49/0-11**
4.	Asian Growth Leaders Fund	100/0-40	**75/0-7**
5.	Asian High Yield Bond Fund	100/0-40	100/0-40
6.	Asian Multi-Asset Growth Fund	100/0-40	100/0-40
7.	Asian Tiger Bond Fund	100/0-40	100/0-40
8.	China A-Share Opportunities Fund	100/0-40	**49/0-10**
9.	China Flexible Equity Fund	100/0-40	**49/0-12**
10.	China Fund	100/0-40	**49/0-12**
11.	Continental European Flexible Fund	100/0-40	**49/0-11**
12.	Dynamic High Income Fund	100/0-40	100/0-40
13.	Emerging Europe Fund	100/0-40	100/0-40
14.	Emerging Markets Bond Fund	100/0-40	100/0-40
15.	Emerging Markets Corporate Bond Fund	100/0-40	100/0-40
16.	Emerging Markets Equity Income Fund	100/0-40	**49/0-10**
17.	Emerging Markets Fund	100/0-40	**75/0-15**
18.	Emerging Markets Local Currency Bond Fund	100/0-40	100/0-40
19.	Euro Bond Fund	100/0-40	100/0-40
20.	Euro Corporate Bond Fund	100/0-40	100/0-40
21.	Euro Reserve Fund	100/0-40	100/0-40
22.	Euro Short Duration Bond Fund	100/0-40	100/0-40
23.	Euro-Markets Fund	100/0-40	**49/0-15**
24.	European Equity Income Fund	100/0-40	**49/0-16**
25.	European Fund	100/0-40	**49/0-11**
26.	European High Yield Bond Fund	100/0-40	100/0-40
27.	European Special Situations Fund	100/0-40	**49/0-15**
28.	European Value Fund	100/0-40	**49/0-12**
29.	Fixed Income Global Opportunities Fund	100/0-40	100/0-40
30.	Flexible Multi-Asset Fund (Fund name will change to "ESG Multi-Asset Fund" from the Effective Date and changes will be made as set out in section 1 of this letter)	100/0-40	100/0-40
31.	Global Allocation Fund	100/0-40	100/0-40
32.	Global Corporate Bond Fund	100/0-40	100/0-40
33.	Global Dynamic Equity Fund	100/0-40	**49/0-15**
34.	Global Enhanced Equity Yield Fund	100/0-40	**49/0-16**
35.	Global Equity Income Fund	100/0-40	**49/0-14**
36.	Global Government Bond Fund	100/0-40	100/0-40
37.	Global High Yield Bond Fund	100/0-40	100/0-40
38.	Global Inflation Linked Bond Fund	100/0-40	100/0-40
39.	Global Multi-Asset Income Fund	100/0-40	100/0-40
40.	Global Opportunities Fund (Fund name will change to "Global Long-Horizon Equity Fund" from the Effective Date)	100/0-40	**49/0-17**
41.	Global SmallCap Fund	100/0-40	**49/0-29**
42.	India Fund	100/0-40	100/0-40
43.	Japan Flexible Equity Fund	100/0-40	**49/0-35**
44.	Japan Small & MidCap Opportunities Fund	100/0-40	**49/0-27**
45.	Latin American Fund	100/0-40	100/0-40
46.	Natural Resources Growth & Income Fund	100/0-40	**49/0-22**
47.	New Energy Fund (Fund name will change to "Sustainable Energy Fund" from the Effective Date and changes will be made as set out in section 3 of this letter)	100/0-40	**49/0-22**
48.	North American Equity Income Fund	100/0-40	**49/0-10**
49.	Pacific Equity Fund	100/0-40	**49/0-20**
50.	Swiss Small & MidCap Opportunities Fund	100/0-40	**49/0-20**
51.	United Kingdom Fund	100/0-40	**49/0-17**
52.	US Basic Value Fund	100/0-40	**49/0-14**
53.	US Dollar Bond Fund	100/0-40	100/0-40
54.	US Dollar High Yield Bond Fund	100/0-40	100/0-40
55.	US Dollar Reserve Fund	100/0-40	100/0-40
56.	US Dollar Short Duration Bond Fund	100/0-40	100/0-40
57.	US Flexible Equity Fund	100/0-40	**49/0-10**
58.	US Government Mortgage Fund	100/0-40	100/0-40
59.	US Growth Fund	100/0-40	**49/0-17**
60.	US Small & MidCap Opportunities Fund	100/0-40	**49/0-23**
61.	World Agriculture Fund (Fund name will change to "Nutrition Fund" from the Effective Date and changes will be made as set out in section 4 of this letter)	100/0-40	**49/0-24**

No.	Fund	Securities lending* Maximum/Expected proportion of the NAV (%)	
		Current proportion (Prior to the Effective Date)	Revised proportion (From the Effective Date)
62.	World Bond Fund	100/0-40	100/0-40
63.	World Energy Fund	100/0-40	**49/0-25**
64.	World Financials Fund	100/0-40	**49/0-20**
65.	World Gold Fund	100/0-40	**49/0-12**
66.	World Healthscience Fund	100/0-40	**49/0-16**
67.	World Mining Fund	100/0-40	**49/0-10**
68.	World Real Estate Securities Fund	100/0-40	100/0-40
69.	World Technology Fund	100/0-40	**49/0-19**

* The maximum proportion of the Net Asset Value of the Funds that can be subject to securities lending is no more than 100%. 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.

Appendix 9 – Dynamic High Income Fund changes

Investment Objectives and Policies	
Previous language in the Information for Residents of Hong Kong	**Revised language in the Information for Residents of Hong Kong**
To follow a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Dynamic High Income Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund's assets in income producing assets such as fixed income securities**, covered call options and preference shares.** **The Fund may also invest up to 100% of its Net Asset Value in fixed income securities (which may be investment grade or non-investment grade). These may include the full range of fixed income securities which may be fixed and floating such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as contingent convertible bonds.** It is not anticipated that the Fund will invest more than 10% of its Net Asset Value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade. **The Fund may invest up to 100% of its Net Asset Value in equities. In respect of the investment in equities, the Fund has no particular focus in terms of industry/sector, geographical region or market capitalization.** **The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation.**	To follow a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Dynamic High Income Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund's assets in income producing assets such as fixed income securities **(which may from time to time comprise up to 100% of the Fund's Net Asset Value and include the full range of fixed income securities, which may be fixed and floating and may be investment grade, non-investment grade or unrated, such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as asset-backed securities, mortgage-backed securities and contingent convertible bonds), equities (which may from time to time comprise up to 100% of the Fund's Net Asset Value and include the full range of equity securities, such as preference shares and equity-related securities), units of collective investment schemes, covered call options and cash deposits.** **The Fund will use a variety of investment strategies and may invest globally in the full spectrum of permitted investments. The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation. The Fund has no particular focus in terms of industry/sector, geographical region or market capitalisation in the selection of any of its investments.** It is not anticipated that the Fund will invest more than 10% of its Net Asset Value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade **or unrated**.

Investment Objectives and Policies	
Previous language in the Product Key Facts Statement	**Revised language in the Product Key Facts Statement**
To follow a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund’s assets in income producing assets such as fixed income securities**, covered call options.** **The Fund may invest globally in the full spectrum of permitted investments including equities, equity-related securities, fixed income securities, units of undertakings for collective investment schemes, cash, deposits and money market instruments.** **The Fund may also invest up to 100% of its net asset value in fixed income securities (which may be investment grade or non-investment grade or unrated*). These may include the full range of fixed income securities which may be fixed and floating such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as contingent convertible bonds.** As part of its investment objective the Fund may invest up to 50% of its total assets in **asset-backed securities (“ABS”) and mortgage-backed securities (“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. It is not anticipated that the Fund will invest more than 10% of its net asset value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade or unrated*. **The Fund may invest up to 100% of its net asset value in equities. In respect of the investment in equities, the Fund has no particular focus in terms of industry/sector, geographical region or market capitalization.** **The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation.** The Fund may use derivatives for hedging, efficient portfolio management and investment purposes. However, derivatives will not be extensively or primarily used for investment purposes. The Fund may employ currency management and hedging techniques which may include hedging the currency exposure on the Fund’s portfolio and/or using more active currency management techniques such as currency overlays. Any active management techniques implemented by the Fund through the currency derivatives such as forward exchange contracts, currency futures and options may not be correlated with the primary underlying securities held by the Fund. The proportion of the Fund’s net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 40% and will be consistent with the overall investment policy of the Fund. * Debt securities which are unrated or rated at the time of purchase BB+ or lower (Standard & Poor’s rating) or equivalent rating by at least one recognised rating agency such as Moody’s or Fitch.	To follow a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund’s assets in income producing assets such as fixed income securities **(which may from time to time comprise up to 100% of the Fund’s net asset value and include the full range of fixed income securities, which may be fixed and floating and may be investment grade, non-investment grade or unrated*, such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as asset-backed securities (“ABS”), mortgage-backed securities (“MBS”) and contingent convertible bonds), equities (which may from time to time comprise up to 100% of the Fund’s net asset value and include the full range of equity securities, such as preference shares and equity-related securities), units of collective investment schemes, covered call options and cash deposits.** **The Fund will use a variety of investment strategies and may invest globally in the full spectrum of permitted investments. The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation. The Fund has no particular focus in terms of industry/sector, geographical region or market capitalisation in the selection of any of its investments.** As part of its investment objective the Fund may invest up to 50% of its total assets 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. It is not anticipated that the Fund will invest more than 10% of its net asset value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade or unrated*. The Fund may use derivatives for hedging, efficient portfolio management and investment purposes. However, derivatives will not be extensively or primarily used for investment purposes. The Fund may employ currency management and hedging techniques which may include hedging the currency exposure on the Fund’s portfolio and/or using more active currency management techniques such as currency overlays. Any active management techniques implemented by the Fund through the currency derivatives such as forward exchange contracts, currency futures and options may not be correlated with the primary underlying securities held by the Fund. The proportion of the Fund’s net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 40% and will be consistent with the overall investment policy of the Fund. * Debt securities which are unrated or rated at the time of purchase BB+ or lower (Standard & Poor’s rating) or equivalent rating by at least one recognised rating agency such as Moody’s or Fitch.

Appendix 10 – Translation/Typeset errors in IRHK and KFS

We set out below the translation and typesetting errors noted in the KFS of DHI dated April 2018 and the current Chinese version of the IRHK dated November 2018 and Chinese versions of the KFS of certain Funds dated November 2018:

Affected Fund(s) & Affected Period	Affected Document & Section Reference	Translation/Typeset Error
Errors rectified in version dated November 2018		
Dynamic High Income Fund (April 2018 to November 2018)	English version of KFS – the section headed "Objectives and Investment Strategy"	There was an omission of the words "and preference shares" as an example of income producing assets in the first paragraph.
	Chinese version of KFS – the "Investment Adviser" row under the section headed "Quick Facts"	While the English KFS showed "BlackRock Financial Management, Inc." as the Investment Adviser, there was a typeset error in the Chinese KFS (which showed "BlackRock Investment Management (UK) Limited" instead).
	Chinese version of KFS – the "Depository" row under the section headed "Quick Facts"	A reference to an irrelevant entity ("BlackRock Investment Management, LLC") was stated in the row "Depositary" in addition to the correct depositary entity.
Errors to be rectified in upcoming version		
All Funds (June 2012 to present)	Chinese version of IRHK – the section headed "DIVIDENDS"	The last three paragraphs under the section should read as follows (with amendments marked-up): "過去十二個月最近期股息的組成（即從(i)可分派**淨**收入及(ii)資本派付的相對款額）可向香港代表辦事處索取及於 www.blackrock.com/hk 查閱。**投資者應注意，該網站並未經證監會認可或審閱。** 所有其他派息股份均在**未**扣除開支之下派付股息，意思是從**收入**~~**資本**~~扣除費用。 董事會可修改派息政策，但須經證監會事先批准，並發出至少一個月書面通知。"
China A-Share Opportunities Fund (April 2018 to present)	Chinese version of KFS – the risk factor headed "10. Risks relating to RMB Currency and its Conversion" under the section headed "What are the key risks?"	The third paragraph in the risk factor should read as follows (with amendments underlined): "在非常情況下，由於適用於人民幣的外匯管制及限制，以人民幣支付變現所得款項及／或支付股息（若有）**及從相關投資向本基金支付人民幣**均可能受到延誤。"
US Dollar Bond Fund and World Bond Fund (December 2017 to present)	Chinese version of KFS – the risk factor headed "2. Credit Risks" under the section headed "What are the key risks?"	The second paragraph in the risk factor should read as follows (with amendments underlined): "債務證券**或其發行人**評級的實際或預期下降或會減低其價值及流通性，可能對基金產生不利的影響，但基金可能繼續持有該債券以避免廉價出售。"
World Technology Fund (December 2017 to present)	Chinese version of KFS – the "Investment Advisers" and "Depository" rows under the section headed "Quick Facts"	The reference to one of the Investment Advisers (BlackRock Investment Management, LLC), has been misplaced in the "Depositary" row.

BLACKROCK®

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

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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.

BLACKROCK GLOBAL FUNDS (the "Company")

Registered office: 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg
R.C.S. Luxembourg B6317

Terms not defined herein shall have the same meaning as set out in the Company's prospectus (the "**Prospectus**").

Incorrect Disclosure concerning Dynamic High Income Fund ("DHI") and Flexible Multi-Asset Fund ("FMA")

11 February 2019

Dear Shareholder

We, BlackRock Asset Management North Asia Limited, as the Hong Kong Representative of the Company would like to inform you about certain incorrect disclosure relating to certain BlackRock Group entities which have been managing DHI and FMA without being disclosed in the Information for Residents of Hong Kong (the "**IRHK**") and the Product Key Facts Statements (the "**KFS**").

The Investment Advisers and Sub-Adviser of these Funds should be as follows (the underlined entities have not been disclosed in the IRHK and KFS):

DHI (Affected Period: 6 February 2018 to present):

- Investment Advisers – BFM, <u>BIMUK</u> and <u>BLKS</u>
- Sub-Adviser – <u>BAMNAL</u>

FMA (Affected Period: 21 January 2015 to present):

- Investment Advisers – BIMUK, <u>BIMLLC</u>
- Sub-Adviser – Nil

Remarks:

BFM	BlackRock Financial Management, Inc.
BIMLLC	BlackRock Investment Management, LLC
BIMUK	BlackRock Investment Management (UK) Limited
BAMNAL	BlackRock Asset Management North Asia Limited
BLKS	BlackRock (Singapore) Limited

Each of BIMUK, BLKS, BAMNAL and BIMLLC currently acts as Investment Adviser and/or Sub-Adviser for other existing sub-funds of the Company that are authorised by the Securities and Futures Commission (the "**SFC**")*.

The incorrect disclosure was caused by certain procedural oversight of the Funds' delegation arrangement. We apologise for the occurrence of this event. However, we wish to reassure shareholders that during the relevant period, the assets of DHI and FMA were managed in accordance with the Funds' respective investment objectives and policies. Accordingly, no material impact or prejudice has been suffered by the relevant Funds or their shareholders as a result of this matter.

We will update the Hong Kong offering documents in due course to rectify the incorrect disclosure. The correct Investment Advisers and/or Sub-Adviser of DHI and FMA should be as shown above and in the KFS of the Funds appended to this letter.

To the best of the knowledge and belief of 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 SFC's authorisation is not a recommendation or endorsement of the Company or the Funds nor does it guarantee the commercial merits of the Company or the Funds or their performance. It does not mean the Company or the Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

the accuracy of such information. The directors of the Management Company accept responsibility accordingly. The current and updated Hong Kong offering documents are/will be available, free of charge, at the office of the Hong Kong Representative.

If you would like any further information or have any questions regarding this letter, please contact the Company's Hong Kong Representative, BlackRock Asset Management North Asia Limited, at 16/F Champion Tower, 3 Garden Road, Central, Hong Kong or by telephone on +852 3903-2688.

Yours faithfully

BlackRock Asset Management North Asia Limited
Hong Kong Representative

BLACKROCK 貝萊德

PRODUCT KEY FACTS

BlackRock Global Funds – Dynamic High Income Fund

November 2018

BlackRock Asset Management North Asia Limited 貝萊德資產管理北亞有限公司

This statement provides you with key information about this product
This statement is a part of the offering document
You should not invest in this product based on this statement alone

Quick facts

Management Company:	BlackRock (Luxembourg) S.A.
Investment Advisers:	BlackRock Financial Management, Inc. (internal delegation, US) BlackRock Investment Management (UK) Limited (internal delegation, UK) BlackRock (Singapore) Limited (internal delegation, Singapore)
Sub-Adviser:	BlackRock Asset Management North Asia Limited (internal delegation, HK)
Depositary:	The Bank of New York Mellon (International) Limited
Ongoing charges over a year:	Class A2 CHF Hedged 1.76% Class A2 SGD Hedged 1.76% Class A2 USD 1.76% Class A6 CAD Hedged 1.76% Class A6 EUR Hedged 1.76% Class A6 GBP Hedged 1.76% Class A6 HKD Hedged 1.76% Class A6 SGD Hedged 1.76% Class A6 USD 1.76% Class A8 AUD Hedged 1.76% Class A8 NZD Hedged 1.76% Class A8 RMB Hedged 2.76% Class D2 CHF Hedged 1.01% Class D2 EUR 1.01% Class D2 EUR Hedged 1.01% Class D2 USD 1.01% Class D6 USD 1.01% Since the Fund is newly set up, the ongoing charges figure is an estimate only. The ongoing charges figure represents the Management Company's best estimate of the ongoing charges based on the estimated costs and expenses for a 12-month period. The figure may vary from year to year.
Dealing frequency:	Daily — **Financial year end:** 31 August
Base currency:	USD

Dividend policy: (Class A and D as at the above date)	Non-Distributing Shares: No dividends will be declared or paid ▸ A2, D2 Distributing Shares: Dividends, if declared will be paid in cash or reinvested ▸ Monthly: A6, A8, D6 All declared dividends result in an immediate decrease in the Fund's net asset values per share on ex-date, whether paid in cash or reinvested. All distributing share classes may pay dividends out of gross income while charging all or part of their fees and expenses to capital (i.e. payment of fees and expenses out of capital). This will result in an increase in distributable income available for payment as dividends, and therefore, these share classes may effectively pay dividends out of capital. Classes 6 and 8 may also pay dividends out of capital (including net realised and net unrealised capital gains) of the relevant share class at the Directors' discretion. The Directors may amend the above dividend policy subject to the SFC's prior approval and by giving one month's prior notice to investors.
Minimum investment:	US$5,000 initial, US$1,000 additional for Class A Shares US$100,000 initial, US1,000 additional for Class D Shares

What is this product?

Dynamic High Income Fund (the "Fund") is a sub-fund of BlackRock Global Funds ("BGF"), an open-ended investment company incorporated in Luxembourg. Its home regulator is the Commission de Surveillance du Secteur Financier (CSSF).

Objectives and Investment Strategy

To follow a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund's assets in income producing assets such as fixed income securities (which may from time to time comprise up to 100% of the Fund's net asset value and include the full range of fixed income securities, which may be fixed and floating and may be investment grade, non-investment grade or unrated*, such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as asset-backed securities ("**ABS**"), mortgage-backed securities ("**MBS**") and contingent convertible bonds), equities (which may from time to time comprise up to 100% of the Fund's net asset value and include the full range of equity securities, such as preference shares and equity-related securities), units of collective investment schemes, covered call options and cash deposits.

The Fund will use a variety of investment strategies and may invest globally in the full spectrum of permitted investments. The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation. The Fund has no particular focus in terms of industry/sector, geographical region or market capitalisation in the selection of any of its investments.

As part of its investment objective the Fund may invest up to 50% of its total assets 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.

* Debt securities which are unrated or rated at the time of purchase BB+ or lower (Standard & Poor's rating) or equivalent rating by at least one recognised rating agency such as Moody's or Fitch.

It is not anticipated that the Fund will invest more than 10% of its net asset value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade or unrated*.

The Fund may use derivatives for hedging, efficient portfolio management and investment purposes. However, derivatives will not be extensively or primarily used for investment purposes. The Fund may employ currency management and hedging techniques which may include hedging the currency exposure on the Fund's portfolio and/or using more active currency management techniques such as currency overlays. Any active management techniques implemented by the Fund through the currency derivatives such as forward exchange contracts, currency futures and options may not be correlated with the primary underlying securities held by the Fund.

The proportion of the Fund's net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 40% and will be consistent with the overall investment policy of the Fund.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

1. **Investment Risks**
   The Fund is an investment fund. The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.

   The performance of the Fund is partially dependent on the success of the asset allocation strategy employed by the Fund. There is no assurance that the strategy employed by the Fund will be successful and therefore the investment objectives of the Fund may not be achieved.

2. **Risk relating to Dynamic Asset Allocation Strategy**
   The investments of the Fund may be periodically rebalanced and therefore the Fund may incur greater transaction costs than a fund with static allocation strategy.

3. **Risks associated with Fixed Income Securities**
   - *Credit / counterparty risk*: The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in. In the event of bankruptcy or default of an issuer, the Fund may experience losses and incur costs.

   - *Interest rate risk*: Investment in the Fund is subject to interest rate risk. In general, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise.

   - *Volatility and liquidity risk*: The debt securities in certain countries and regions may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations.

   - *Downgrading risk*: The actual or perceived downgrading of a rated debt security or its issuer could decrease its value and liquidity, and may have an adverse impact on the Fund. The Fund may or may not be able to dispose of the debt securities that are being downgraded.

   - *Non-investment grade / unrated bonds risk:* The Fund may invest in debt securities rated below investment grade or unrated.

     Investment in non-investment grade or unrated bonds, including sovereign debts, may subject the Fund to higher credit/default risks. If the issuer of the non-investment grade or unrated bond defaults, or if the non-investment grade or unrated bonds fall in value, investors may suffer significant losses.

     Non-investment grade or unrated bonds tend to be less liquid and more volatile, and the market for these bonds is generally less liquid and more volatile than higher rated fixed-income securities. Adverse events or market conditions may have a larger negative impact on the prices of non-investment grade or unrated bonds than on higher rated fixed-income securities. Such securities are also subject to a greater risk of loss of principal and interest than higher rated fixed-income securities.

- *Sovereign debt risk:* Investment in bonds issued or guaranteed by governments or authorities may involve political, social, economic, default, or other risks, which may in turn have an adverse impact on the Fund. Due to these factors, the sovereign issuers may not be able or willing to repay the principal and/or interest when due.

  Holders of defaulting sovereign debt may be requested to participate in the restructuring of such debt. In addition, there may be limited legal recourses available against the sovereign issuer in case of failure of or delay in repayment.

- *Valuation risk*: Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Fund.

- *Credit rating risk*: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

4. Risks associated with Equities

- *Equity market risk*: The values of equities fluctuate daily and the Fund investing in equities is subject to general market risks and 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 changes in investment sentiment, trends in economic growth, inflation and interest rates, issuer-specific factors, corporate earnings reports, demographic trends and catastrophic events.

5. Risks associated with Preference Shares

Preference shareholders do not have the same ownership rights in the company as common shareholders. The lack of voting rights means the company is not beholden to preferred shareholders the way it is to equity shareholders. Although preference shares have a fixed dividend that must be paid before any dividends can be paid to common shareholders, such fixed dividend may become less of a bargain to the Fund when interest rates rise. Also, even when the earnings of the relevant company are high, the Fund's investment in preference shares may not give the Fund additional return due to the fixed dividend. The value of the Fund may therefore be adversely affected.

6. Risks associated with Investments in ABS and MBS

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 in 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.

7. Capital Growth Risks

Risks associated with Income-generating Investment Strategy

The Fund pursues an investment strategy in order to generate income which may reduce the potential for capital growth and future income of the Fund.

Risks associated with Fees and/or Dividends Paid Out of Capital

Any distributions involving payment of dividends out of capital (Classes 6 and 8) or payment of dividends out of gross income (i.e. payment of fees and expenses out of capital) (Classes 6 and 8) or payment of implied interest rate differentials arising from share class currency hedging as dividends (Class 8) amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Whilst all dividends paid result in an immediate reduction of the net asset value per share, these share classes may pay larger dividends (i.e. by paying dividends out of capital,gross income or interest rate differentials arising from share class currency hedging gains (if any)), which may therefore result in a larger reduction in the net asset value per share.

Payment of Dividends From Implied Interest Rate Differentials
For Distributing (R) Shares (Class 8), any dividends payable may include interest rate differentials arising from share class currency hedging gains/losses which may increase/ decrease dividends paid. Shareholders of such Distributing (R) Shares will forego capital gains as any currency hedging gains are distributed rather than added to capital. Conversely, currency hedging losses may decrease the dividends paid, and in extreme cases may deduct from capital.

8. Currency Risks
The Fund may invest in assets denominated in a currency other than the base currency of the Fund. Also, a class of shares may be designated in a currency other than the base currency of the Fund. Changes in exchange rates between such currency and the base currency and changes in exchange rate controls may adversely affect the value of the Fund's assets.

The Investment Adviser(s) may utilise techniques and instruments (e.g. currency overlays) in relation to currencies other than the base currency with the aim of generating positive returns. Any active currency management techniques implemented by the Fund may not be correlated with the underlying securities held by the Fund. As a result, the Fund may suffer significant losses even if there is no loss to the value of the underlying securities held by the Fund.

9. Emerging Market Risks
Investment in emerging markets may be subject to a higher than average volatility than more developed markets due to greater political, tax, economic, social, currency control and foreign exchange risks.

The size and trading volume of securities markets in emerging markets may be substantially smaller than developed markets. This may subject the Fund to higher liquidity and volatility risks.

Custody and registration of assets in emerging markets may be less reliable than in developed markets, which may subject the Fund to higher settlement risk.

The Fund may be subject to higher regulatory risks due to low level of regulation, enforcement of regulations and monitoring of investors' activities in emerging markets.

10. Derivatives Risks
Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the derivative by the Fund. In an adverse situation, if the use of derivatives for hedging and efficient portfolio management becomes ineffective, the Fund may suffer significant losses.

In addition, the Fund may invest in covered call options. The Fund as a seller of a covered call option gives up the opportunity for gain on the underlying instrument in respect of the option above the exercise price of the option. The value of the Fund may be adversely affected as a result.

11. Securities Lending Risks
When engaging in securities lending, the Fund 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.

12. Currency conversion risk for Renminbi ("RMB") denominated Classes

RMB is currently not freely convertible and is subject to exchange controls and restrictions. The Fund offers RMB denominated share classes. Subscriptions and redemptions for the Fund may involve conversion of currency. Currency conversion will be conducted at the applicable exchange rate and subject to the applicable spread.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' home currency will not depreciate. Any depreciation of RMB could adversely affect the value of investors' investment in the RMB denominated share classes.

Under exceptional circumstances, payment of realisation proceeds and/or dividend payment (if any) in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

RMB is traded in both the onshore and offshore markets. While both onshore RMB ("**CNY**") and offshore RMB ("**CNH**") represent the same currency, they are traded in different and separate markets which operate independently. Therefore, CNY and CNH do not necessarily have the same exchange rate and their movement may not be in the same direction. When converting the base currency of the Fund to RMB for the purposes of calculating the net asset value of a share class with a RMB reference currency, the Management Company will apply the CNH rate. Any divergence between CNH and CNY may adversely impact investors.

How has the fund performed?

There is insufficient data to provide a useful indication of past performance to investors.

Fund launch date: 2017

Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund:

Fee	What you pay
Subscription Fee (Initial Charge)	Class A and Class D Shares: up to 5% of the price of shares
Switching Fee (Conversion Charge)	Nil^, except a delayed Initial Charge of up to 5% of the price of Class A or Class D Shares may be payable upon switching newly acquired Shares in a Reserve Fund into this Fund
Redemption Fee	Nil^
Contingent Deferred Sales Charge	Class A and Class D Shares: Nil

^ A 2% charge on redemptions/conversions may be levied where excessive trading by a shareholder is suspected.

Ongoing fees payable by the Fund

The following expenses paid by the Fund affect you because they reduce the return on your investments:

Fee	What you pay (Annual rate)
Management Fee	1.50% of the net asset value of the relevant Class A Shares* 0.75% of the net asset value of the relevant Class D Shares*
Depositary Fees	Safekeeping fees: 0.0024% to 0.45% of the value of the securities Transactional fees: USD$5.5 to USD$124 per transaction
Performance Fee	Nil
Administration Fee	Up to 0.25% of the net asset value of the relevant share class*
Distribution Fee	Class A and Class D Shares: Nil

* May be increased to a combined 2.25% maximum upon giving three months' prior notice to shareholders

Other fees

You may have to pay other fees and charges when dealing in the shares of the Fund.

Additional Information

- You generally buy and redeem shares at the Fund's next-determined price as long as the Hong Kong Representative receives your request in good order before the 6:00p.m. cut-off (HK time). Please check whether your distributor has an internal cut-off time which is earlier than this.
- The net asset value of the Fund is calculated daily. Prices of shares are published each business day on www.blackrock.com/hk. This website has not been reviewed by the SFC.
- The updated list of currently available shares is available from the Hong Kong Representative.
- The composition of the latest dividends (i.e. relative amounts paid from (i) net distributable income and (ii) capital) for the last 12 months are available from the Hong Kong Representative upon request and on www.blackrock.com/hk. This website has not been reviewed by the SFC.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

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PRODUCT KEY FACTS

BlackRock Global Funds – Flexible Multi-Asset Fund

November 2018

BlackRock Asset Management North Asia Limited 貝萊德資產管理北亞有限公司

This statement provides you with key information about this product
This statement is a part of the offering document
You should not invest in this product based on this statement alone

Quick facts

Management Company:	BlackRock (Luxembourg) S.A.		
Investment Advisers:	BlackRock Investment Management (UK) Limited (internal delegation, UK) BlackRock Investment Management, LLC (internal delegation, US)		
Depositary:	The Bank of New York Mellon (International) Limited		
Ongoing charges over a year:	Class A2 EUR 1.76% Class A2 USD Hedged 1.76% Class C2 EUR 3.01% Class C2 USD Hedged 3.01% Class D2 EUR 1.01% Class D2 USD Hedged 1.01% The ongoing charges figure for a class is based on the costs and expenses of that class with reference to the annual report of the Fund for the year ended 31 August 2017. The figure may vary from year to year.		
Dealing frequency:	Daily	**Financial year end:**	31 August
Base currency:	EUR		
Dividend policy: (Class A, C and D as at the above date)	Non-Distributing Shares: No dividends will be declared or paid ▸ A2, C2, D2 Distributing Shares: Dividends, if declared will be paid in cash or reinvested ▸ Not Available		
Minimum investment:	US$5,000 initial, US$1,000 additional for Class A and C Shares US$100,000 initial, US$1,000 additional for Class D Shares		

What is this product?

This is a sub-fund of BlackRock Global Funds ("BGF"), an open-ended investment company incorporated in Luxembourg. Its home regulator is the Commission de Surveillance du Secteur Financier (CSSF).

Objectives and Investment Strategy

To maximise total return by following an asset allocation policy that invests in stocks, bonds (including non-investment grade*), collective investment schemes, cash and money market instruments worldwide.

* Debt securities which are unrated or rated at the time of purchase BB+ or lower (Standard & Poor's rating) or equivalent rating by at least one recognised rating agency such as Moody's or Fitch.

The Fund may invest up to 80% of its assets in equities; up to 80% in fixed income; up to 20% in cash and cash equivalents; and up to 20% in alternative investments (including hedge funds, property, commodities).

The Fund adopts a flexible approach to asset allocation, driven by proprietary macroeconomic research on equity, bond, currency markets and alternative investments. We compare current valuations to our own analysis of the economic cycle to determine whether our estimated returns are more or less optimistic than the consensus. In order to generate returns in a risk-controlled manner, we monitor factors outside our basic cycle-valuation framework, including investor sentiment and positioning.

For the purpose of Hong Kong-specific disclosure requirements, the Fund may use derivatives for hedging and extensively for investment purposes. Derivatives such as government bond futures and interest rate swaps may be used for hedging and mitigating interest rate risk. Foreign exchange forwards and futures may be used to minimize currency exposure. In addition to using derivatives for hedging and risk mitigation, the Fund may use derivatives such as futures, foreign exchange derivatives, swaps and options extensively for investment purposes but it is not limited to a particular strategy regarding the derivatives usage.

The Fund uses Relative "Value at Risk" using 50% MSCI World Index / 50% Citigroup World Government Bond Euro Hedged Index to monitor and manage its global exposure. In normal market conditions the expected level of leverage for the Fund is 200% of its net asset value using sum of notional approach or up to 120% of its net asset value using the commitment approach. The expected level of leverage may be higher or lower in exceptional circumstances, for example when there are sudden movements in investment prices. The expected level of leverage is indicative and not a regulatory limit. The level of leverage using the sum of notional approach is expressed as a ratio between the aggregate of the notional values of all derivatives entered into by the Fund (including derivatives that are used for hedging, efficient portfolio management and investment purposes) and its net asset value. The level of leverage using the commitment approach is expressed as a ratio between the market value of the equivalent position in the underlying assets of the derivatives (taking into account the possible netting and hedging arrangements) and its net asset value.

Certain derivatives used by the Fund may be in respect of asset classes not correlated with the underlying securities positions held by the Fund such as derivatives on currencies, inflation and indices.

The proportion of the Fund's net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 40% and will be consistent with the overall investment policy of the Fund.The Fund is also expected to enter into total return swaps ("**TRS**") and contracts for differences that have, in accordance with its investment policy, equity or fixed income securities and equity or fixed income related securities as underlying assets in aggregate for up to 100% of its net asset value.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

1. Investment Risks

The Fund is an investment fund. The Fund's investment portfolio may fall in value due to any of the risk factors below and therefore your investment in the Fund may suffer losses.

The performance of the Fund is partially dependent on the success of the asset allocation strategy employed by the Fund. There is no assurance that the strategy employed by the Fund will be successful and therefore the investment objectives of the Fund may not be achieved.

2. Credit Risks

The Fund may be exposed to the credit/default risk of bonds that it invests in. In the event of bankruptcy or default of an issuer, the Fund may experience losses and incur costs.

The actual or perceived downgrading of a rated debt security or its issuers could decrease its value and liquidity, and may have an adverse impact on the Fund, however, the Fund may continue to hold it to avoid a distressed sale.

3. Currency Risks

The Fund may invest in assets denominated in a currency other than the base currency of the Fund. Changes in exchange rates between such currency and the base currency and changes in exchange rate controls may adversely affect the value of the Fund's assets.

The Investment Adviser may utilise techniques and instruments (e.g. currency overlays) in relation to currencies other than the base currency with the aim of generating positive returns. Any active currency management techniques implemented by the Fund may not be correlated with the underlying securities held by the Fund. As a result, the Fund may suffer significant losses even if there is no loss to the value of the underlying securities held by the Fund.

4. Derivatives Risks

Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and market risk. The leverage effect of derivatives can result in a loss significantly greater than the amount invested and extensive exposure to derivatives may lead to a significant loss by the Fund.

The Fund may have commitment leverage of more than 100% of its net asset value. This may magnify the potential impact of any negative change in the value of underlying assets on the Fund and may also increase the volatility of the Fund's price and may lead to significant losses.

Certain derivatives such as derivatives on currencies, inflation and indices may be uncorrelated with the underlying securities held by the Fund. In this regard the Fund may suffer significant losses notwithstanding that there may be no loss in respect of the underlying securities positions (predominantly fixed income securities) held by the Fund.

5. Interest Rate Risks

An increase in interest rates may adversely affect the value of the bonds held by the Fund.

6. Non-Investment Grade / Unrated Bonds Risks

Investment in non-investment grade or unrated bonds, including sovereign debts, may subject the Fund to higher credit/default risks. If the issuer of the non-investment grade or unrated bonds defaults, or if the non-investment grade or unrated bonds fall in value, investors may suffer significant losses.

Non-investment grade or unrated bonds tend to be less liquid and more volatile, and the market for these bonds is generally less liquid and more volatile, than higher rated fixed-income securities. Adverse events or market conditions may have a larger negative impact on the prices of non-investment grade or unrated bonds than on higher rated fixed-income securities. Such securities are also subject to a greater risk of loss of principal and interest than higher rated fixed-income securities.

7. Sovereign Debt Risks

Investment in bonds issued or guaranteed by governments or authorities may involve political, economic, default, or other risks, which may in turn have an adverse impact on the Fund. Due to these factors, the sovereign issuers may not be able or willing to repay the principal and/or interest when due.

Holders of defaulting sovereign debt may be requested to participate in the restructuring of such debt. In addition, there may be limited legal recourses available against the sovereign issuer in case of failure of or delay in repayment.

The Fund may have exposure to Eurozone sovereign debts. In light of the fiscal conditions of certain European countries, the Fund may be subject to a number of increased risks arising from a potential crisis in the Eurozone (such as volatility, liquidity, price and currency risks). The performance of the Fund could deteriorate should there be any adverse events in the Eurozone (e.g. downgrade of sovereign credit ratings, default of one or more European countries, or even break-up of the Eurozone).

8. Securities Lending Risks

When engaging in securities lending, the Fund 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.

9. Risks relating to TRS

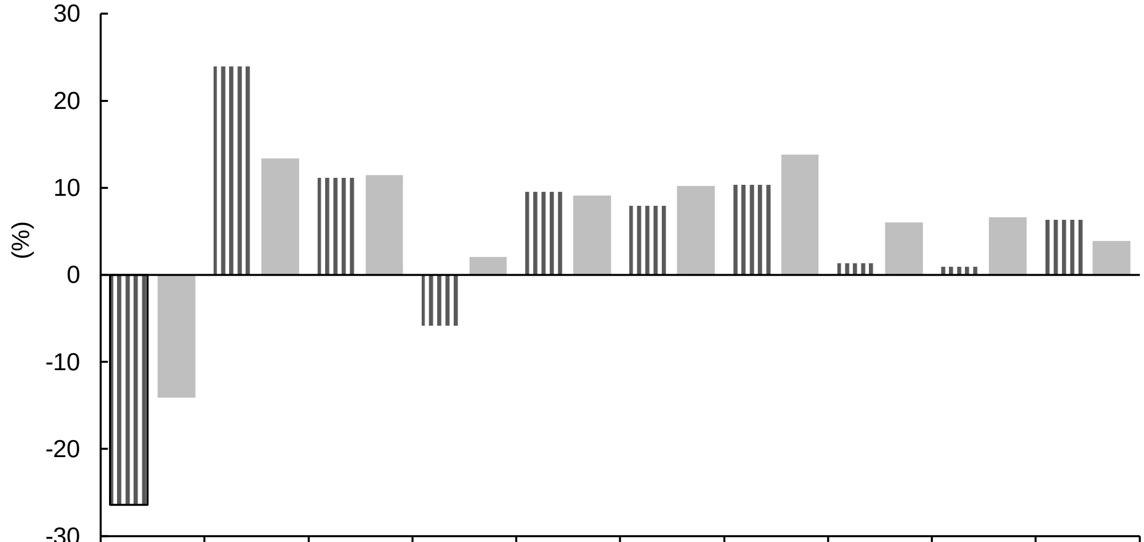
The risk of loss with respect to TRS is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund's risk of loss consists of the net amount of total return payments that each party is contractually entitled to receive.

10. Risks relating to Contracts for Differences

By investing in contracts for differences, the Fund may expose itself to market risk and liquidation risk depending on the change in the price of the underlying assets and any consequential margin call. The Fund may also be exposed to counterparty/credit risk if the counterparty to a contract fails to meet their financial obligations, which may lead to a contract having little or no value regardless of the value of the underlying assets.

How has the fund performed?

Historic performance to 31 December 2017



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fund	-26.4	23.9	11.1	-5.8	9.5	7.9	10.3	1.3	0.9	6.3
Benchmark†	-14.1	13.4	11.5	2.1	9.1	10.2	13.8	6	6.6	3.9

During this period the performance of the Fund was achieved under circumstances that no longer apply. The Fund changed its investment policy in 2017.

Notes:

Past performance information is not indicative of future performance. You may not get back the full amount invested. The computation of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested expressed as a % change. These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in EUR, including ongoing charges and taxes and excluding subscription and redemption fees, if applicable. The past performance information reflects the performance of the A2 base currency share class which the Investment Adviser views as the most appropriate representative share class. Please refer to the website www.blackrock.com/hk for performance information regarding other share classes. This website has not been reviewed by the SFC.

† The benchmark of the Fund is Composite (MSCIW/CWGBI). The composite benchmark is made up of 50% MSCI World Index/50% Citigroup World Government Bond EUR Hedged Index.

Fund launch date: 1999

Share class launch date: 1999

Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund:

Fee	What you pay
Subscription Fee (Initial Charge)	Class A and Class D Shares: up to 5% of the price of shares Class C Shares: Nil
Switching Fee (Conversion Charge)	Nil^, except a delayed Initial Charge of up to 5% of the price of Class A or Class D Shares may be payable upon switching newly acquired Shares in a Reserve Fund into this Fund
Redemption Fee	Nil^
Contingent Deferred Sales Charge	Class A and Class D Shares: Nil Class C Shares: 1% of the lower of the original investment amount or redemption proceeds if the Shares are held for less than one year

^ A 2% charge on redemptions/conversions may be levied where excessive trading by a shareholder is suspected.

Ongoing fees payable by the Fund

The following expenses paid by the Fund affect you because they reduce the return on your investments:

Fee	What you pay (Annual rate)
Management Fee	1.50% of the net asset value of the relevant Class A and Class C Shares respectively* 0.75% of the net asset value of the relevant Class D Shares*
Depositary Fees#	Safekeeping fees: 0.0024% to 0.45% of the value of the securities Transactional fees: USD$5.5 to USD$124 per transaction
Performance Fee	Nil
Administration Fee	Up to 0.25% of the net asset value of the relevant share class*
Distribution Fee	Class A and Class D Shares: Nil Class C Shares: 1.25% of the net asset value of the relevant share class

* May be increased to a combined 2.25% maximum upon giving three months' prior notice to shareholders

Subject to change without prior notice

Other fees

You may have to pay other fees and charges when dealing in the shares of the Fund.

Additional Information

- You generally buy and redeem shares at the Fund's next-determined price as long as the Hong Kong Representative receives your request in good order before the 6:00p.m. cut-off (HK time). Please check whether your distributor has an internal cut-off time which is earlier than this.
- The net asset value of the Fund is calculated daily. Prices of shares are published each business day on www.blackrock.com/hk. This website has not been reviewed by the SFC.
- The updated list of currently available shares is available from the Hong Kong Representative.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

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