

**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 “Premier-Choice Series” plans, including Premier-Choice Flexi, Premier-Choice Flexi Plus, Premier-Choice InvestPlan and Premier-Choice Plus InvestPlan.

**1. Name change (MLEOU) and swing pricing**

As advised by BlackRock, with effect from March 31, 2010, there are some changes to their prospectus as below:

**i. Name change**

The underlying fund of investment choice, MassMutual – BlackRock Global Funds – European Opportunities Fund Class “A” (MLEOU), will be renamed.

In view of this, with effect from March 31, 2010, the above-mentioned investment choice will rename “MassMutual – BlackRock Global Funds – European Small & MidCap Opportunities Fund Class “A””.

The change of underlying fund name is being made to reflect more closely the underlying fund’s principal investment objective of investing at least 70% of its total assets in equity securities of small and mid capitalization companies domiciled in, or exercising the predominant part of their economic activity in the relevant market of the underlying fund.

**ii. Swing pricing**

The directors of BlackRock Global Funds have decided to amend the prospectus so that the threshold levels between which the daily net asset value of the relevant underlying fund may be adjusted to take into account the cost of market dealing do not include fiscal charges. Any applicable fiscal charges may, however, be included on top of the applicable threshold limits when calculating the level of the adjustment. This reflects the recent introduction of significant fiscal charges in certain jurisdictions. Currently it is not expected that these additional fiscal charges will exceed 2.5% of the relevant net asset value.

**2. Change of Custodian Bank – Fortis L Fund**

(Fortis L Fund - Equity Brazil "Classic-Capitalisation" (FLBEU), Fortis L Fund - Bond Best Selection World Emerging "Classic-Capitalisation" (FLEMU), MassMutual Fortis L Fund - Equity Russia "Classic-Capitalisation" (FLREU) and MassMutual Fortis L Fund - Equity Utilities World "Classic-Capitalisation" (FLUTU))

As advised by Fortis Investments, BGL BNP Paribas, a credit institution, acting as Custodian Bank of Fortis L Fund, will transfer its securities services branch of activities to BNP Paribas Securities Services, Luxembourg branch, on April 1, 2010. As a result of the above mentioned transfer, BNP Paribas Securities Services, Luxembourg branch will legally replace BGL BNP Paribas as the Custodian Bank of Fortis L Fund, with effect from April 1, 2010.

**3. JPMorgan Funds - JF Taiwan Fund Class “A” (JFTAU) - appointment of sub-investment manager**

As advised by J.P. Morgan Asset Management, with effect from April 16, 2010, the management company has consented to the appointment by the investment manager of JPMorgan Asset Management (Taiwan) Limited to act as a sub-investment manager to the underlying fund of JPMorgan Funds – JF Taiwan Fund Class “A”.

This change does not affect the way in which the underlying fund will be managed. Fees payable will remain unchanged.

**You should refer to the relevant prospectuses 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 at [http://www.massmutualasia.com/en/main/invest/pc\\_fund\\_search/invest\\_notice\\_of\\_changes.html](http://www.massmutualasia.com/en/main/invest/pc_fund_search/invest_notice_of_changes.html) to carefully read the details of the relevant documents in relation to the above changes.**

**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 applies to any of the investment choices and most of the investment choices do not have a bid-offer spread during subscription and switching of investment choices. For details, please refer to “Investment Choice” brochure.**

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.

This document should be read in conjunction with the enclosed notice dated 23 February 2010. Unless the context otherwise requires and except as varied or otherwise specified in this letter, words and expressions contained herein shall bear the same meaning as in the enclosed document.

**BLACKROCK GLOBAL FUNDS**  
(Sicav)

ADDRESS: Aerogolf Centre, 1A Hoehenhof, L-1736 Senningerberg, Grand Duchy of  
Luxembourg  
R.C.S. Luxembourg B 6317

23 February 2010

Dear Shareholder,

**Changes to BlackRock Global Funds**

This cover letter contains information specific to Hong Kong shareholders.

Notice of Fund Merger: Strategic Allocation Fund (US Dollar) into Strategic Allocation Fund (Euro)

*Total Expense Ratio and Establishment Costs*

The Total Expense Ratios for the Strategic Allocation Fund (US Dollar) and Strategic Allocation Fund (Euro) are set out below:

Strategic Allocation Fund (US Dollar)		Strategic Allocation Fund (Euro)	
Share Class	Total Expenses Ratios	Share Class	Total Expenses Ratios
B2 USD	2.57%	B2 EUR	2.57%
Q2 USD	2.99%	C2 EUR	2.85%
E2 USD	2.08%	Q2 EUR	2.98%
A2 USD	1.59%	E2 EUR	2.09%
C2 USD	2.83%	A2 EUR	1.59%

The calculation of the Total Expense Ratios are calculated by dividing the total operating expenses of the relevant Fund by its average total net asset and are expressed in percentage terms.

There are no outstanding unamortised establishment costs in respect of both Funds.

### *Taxation*

Under present legislation and practice in Hong Kong, shareholders of the Strategic Allocation Fund (US Dollar) will be treated as having disposed of their shares in the Strategic Allocation Fund (US Dollar) as a result of the merger. Gains made by such shareholders on such merger may attract Hong Kong profit tax if the shares were acquired as part of a trade, profession or business carried on in Hong Kong. If you are in any doubt about your taxation positions, you should consult your professional adviser.

### Notice of Fund name change and investment objective clarification and revision

With respect to the section headed "Asia Pacific Equity Income Fund" of the enclosed notice, the phrase to "pay income gross of expenses" is referring to the distribution of gross income to shareholders and the expense will be paid out of unrealised gains or capital.

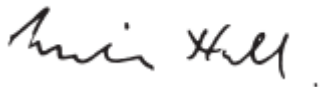
### References to Prospectus and Simplified Prospectus

For any references to Prospectus and Simplified Prospectus mentioned in the enclosed notice, Hong Kong investors should refer to the Prospectus as well as the Information for Residents of Hong Kong. Updated versions of the Prospectus and the Information for Residents of Hong Kong will be available from BlackRock (Hong Kong) Limited in due course. For the avoidance of doubt, capitalised terms used in this Letter shall bear the meaning set out in the updated Information for Residents of Hong Kong.

If you have any questions regarding this letter or its enclosures, please contact BlackRock (Hong Kong) Limited, 11/F York House, No.15 Queen's Road Central, Hong Kong, Tel. (852) 3553-0900.

The Board of Directors of BlackRock Global Funds accepts responsibility for the accuracy of the contents of this letter.

Yours faithfully,



Nicholas Hall

Chairman

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 (SICAV)**

ADDRESS: Aerogolf Centre, 1A Hoehenhof, L-1736 Senningerberg, Grand Duchy of Luxembourg  
R.C.S. Luxembourg B 6317

23 February 2010

Dear Shareholder,

The Board of Directors is writing to you to advise you of a number of changes that it proposes to make to the Company and its Funds. All changes set out in this letter take effect on 31 March 2010 (the "Prospectus Effective Date"), unless specifically stated and this letter forms notice to Shareholders of that fact.

The Board of Directors have identified the need to amend the investment objectives of certain Funds to clarify the way in which the Funds are managed. These revisions will not lead to any material change to the way in which the Funds are managed.

### **1. Notice of Fund Merger: Strategic Allocation Fund (US Dollar) into Strategic Allocation Fund (Euro)**

#### **1.1 Background**

In accordance with Article 28 of the Company's Articles of Incorporation, the Directors believe that the interests of Shareholders would be better served by merging the Strategic Allocation Fund (US Dollar) into the Strategic Allocation Fund (Euro) on 16 April 2010 (the "Merger Effective Date").

As at 31 December 2009 the respective sizes of the Strategic Allocation Fund (US Dollar) and the Strategic Allocation Fund (Euro) were US\$41.9 million and €21.1 million. Due to the small size of each Fund and the strong similarity in the investment objectives and policies, the Directors believe that greater economies of scale can be achieved if the Funds are merged to form a single combined entity.

Both Funds currently have the same Initial Charge, Management Fee, Distribution Fee, CDSC and Administration Fee across equivalent Classes of Shares.

The current investment policy of the Strategic Allocation Fund (US Dollar) is:

The Strategic Allocation Fund (US Dollar) follows an asset allocation policy that seeks to maximise total return. The Fund invests globally in equities and fixed income transferable securities (which may include some high yield fixed income transferable securities). The Fund may invest without limitation in securities denominated in currencies other than the reference currency (US dollars). The currency exposure of the Fund is flexibly managed.

The current investment policy of the Strategic Allocation Fund (Euro) is:

The Strategic Allocation Fund (Euro) follows an asset allocation policy that seeks to maximise total return. The Fund invests globally in equities and fixed income transferable securities (which may include some high yield fixed income transferable securities). 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.

Your attention is also drawn to the intended change to the Fund name and investment objective of the Strategic Allocation Fund (Euro) on the Merger Effective Date, as described in section 2 below.

**On the Merger Effective Date, Shareholders in the Strategic Allocation Fund (US Dollar) will see their Fund merged into the Strategic Allocation Fund (Euro) and their Shares will be replaced with Strategic Allocation Fund (Euro) Shares of the same value as at the Merger Effective Date.**

## **1.2 Holders of Strategic Allocation Fund (US Dollar)**

On the Merger Effective Date, the merger will proceed as outlined in this notice with any assets and liabilities of the Strategic Allocation Fund (US Dollar) being transferred to the Strategic Allocation Fund (Euro).

Holders of US Dollar-denominated Shares in the Strategic Allocation Fund (US Dollar) will be issued US Dollar-denominated Shares in the Strategic Allocation Fund (Euro) and these Shares will be hedged against the Euro base currency of the Strategic Allocation Fund (Euro). The hedged share classes aim to provide holders with a return correlated to the base currency performance of the fund, by reducing the effect of exchange rate fluctuations between the base and hedged currency. It is important to note that the hedge is not perfect – it aims to reduce, not eliminate, currency risk. During times of market volatility, short-term exchange rate fluctuations can be more marked.

Dealing in Shares in the Strategic Allocation Fund (US Dollar) will cease after 13 April 2010 (the “Merger Cut-Off Point”) in order to allow for a smooth transition. If you want to redeem your Shares after this date you will not be able to do so until after the new Strategic Allocation Fund (Euro) Shares are issued on 19 April 2010.

With the exception of holders of Class B and Class Q Shares, if you are a holder of the Strategic Allocation Fund (US Dollar) and wish to receive Shares of Strategic Allocation Fund (Euro) in exchange for your existing holding you need take no action – you will automatically receive a number of Shares of the same class of Shares (hedged into US Dollar) of the Strategic Allocation Fund (Euro) resulting from the exchange ratio based on the Net Asset Value per Share of the Strategic Allocation Fund (US Dollar) compared to the Net Asset Value per Share of the Strategic Allocation Fund (Euro) on the Merger Effective Date.

As the Strategic Allocation Fund (Euro) will cease offering Class B Shares from the Prospectus Effective Date, and Class Q Shares are currently closed to new subscriptions, holders of Shares in these Classes in Strategic Allocation Fund (US Dollar) will instead receive Class A Shares (hedged into US Dollar) in the Strategic Allocation Fund (Euro) resulting from the exchange ratio based on the Net Asset Value per Share of the Strategic Allocation Fund (US Dollar) compared to the Net Asset Value per Share of the Strategic Allocation Fund (Euro) on the Merger Effective Date. You will receive confirmation of your holding thereafter. Investors should note that any outstanding contingent deferred sales charge (CDSC) applicable to the B or Q Shares will be waived. Investors should also note that the fees and expenses of Class A Shares are lower than the equivalent Class B or Q Shares. Therefore, receipt of the Class A Shares will lead to a reduction in the Total Expense Ratio for investors. Investors should refer to Appendix A for a summary of the Share Class proposal.

If you are a Shareholder of the Strategic Allocation Fund (US Dollar) and do not wish to receive Shares of the Strategic Allocation Fund (Euro), you may either convert your holding into another of the Company’s funds without charge and any applicable contingent deferred sales charge (CDSC) which would ordinarily be charged upon your conversion into another fund, will be waived and you will continue to benefit from any accrued holding period with regard to any applicable CDSC, as set out in the prospectus or redeem your holding (in accordance with the procedure in the Prospectus) without charge at any time up to the Merger Cut-Off Point (although you should note that any CDSC may apply). Your conversion will be effected no later than the Dealing Day following receipt of your instruction. Redemption proceeds will be sent to you on the third business day following receipt of your instruction provided that all necessary payment instructions have been received in writing and you have provided various identification documents. Details of the documents required are available

from the local Investor Servicing Team.

### **1.3 Holders of Strategic Allocation Fund (Euro)**

With the exception of holders of Class B and Class Q Shares, investors need take no action and will remain in the same share class in Strategic Allocation Fund (Euro).

Due to the small size of assets under management in both Class B and Class Q Shares, and as Strategic Allocation Fund (Euro) will cease offering Class B Shares from the Prospectus Effective Date, holders of Shares in these Classes in Strategic Allocation Fund (Euro) will instead receive Class A Shares on the Merger Effective Date resulting from the exchange ratio on the Net Asset Value per Share of the Strategic Allocation Fund (Euro) Class B or Class Q Shares, compared to the Net Asset Value per Share of the Strategic Allocation Fund (Euro) Class A Shares on the Merger Effective Date. You will receive confirmation of your holding thereafter. Investors should note that any outstanding contingent deferred sales charge (CDSC) applicable to the B or Q Shares will be waived. Investors should also note that the fees and expenses of the Class A Share are lower than the equivalent Class B or Q Share. Therefore, receipt of the Class A Share will lead to a reduction in the Total Expense Ratio for investors. Investors should refer to Appendix A for a summary of the Share Class proposal.

**Your attention is also drawn to the intended change to the Fund name and investment objective of Strategic Allocation Fund (Euro) on the Merger Effective Date, as described in section 2 below.**

### **1.4 Other Fees and Expenses**

The charging structure for each Share Class will not be affected by this merger.

Please refer to Appendix A attached for details of Fees and Expenses charged for both Funds.

### **1.5 Risk Considerations**

BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether the Strategic Allocation Fund (Euro) or any other Fund is suitable, please read the prospectus which details more information about the risks associated with the investment. If you are in any doubt as to the level of risk that you should take, we recommend you seek independent professional advice prior to investing.

### **1.6 Merger Expenses and Taxation**

The expenses incurred in the merger, which are estimated to amount to €10,000, will be borne out of the fixed Administration Fee charged to the Strategic Allocation Fund (Euro) and will not therefore increase this Fund's Total Expense Ratio.

**The merger should not subject the Funds to taxation in Luxembourg. Under certain conditions, Shareholders may be liable to Luxembourg income tax upon the merger of certain Funds. However, no Luxembourg income tax should be due on such gains if a double tax treaty between Luxembourg and the country of residence of the Shareholders is applicable to the Company and provides otherwise. Shareholders should note that the redemption or conversion of Shares into another of the Company's Funds may represent a disposal of Shares for tax purposes in certain jurisdictions. Shareholders may be subject to taxation in their tax domiciles or other jurisdictions in which they pay taxes. As tax laws differ widely from country to country, Shareholders are urged to consult their personal tax advisers as to the tax implications of the merger in their individual cases.**

### **1.7 European Union Savings Directive ("EUSD")**

Shareholders in scope for the purposes of the EUSD should note that the merger may be considered to be a taxable event. If this is the case, withholding tax may be imposed which would reduce the value of Shareholders' investment in the ongoing fund. Depending on the provisions of the double tax treaty between Luxembourg and the country of residence of the Shareholder, it is possible that

Shareholders may be able to claim a credit for the withholding tax suffered. **As tax laws differ widely from country to country, Shareholders are urged to consult their personal tax advisers as to the EUSD implications of the merger in their individual cases.**

## **2. Notice of Fund name change and investment objective clarification and revision.**

### **2.1 Strategic Allocation Fund (Euro)**

The name of this Fund will be changed to **Flexible Multi-Asset Fund** in order to more accurately reflect the investment style and policy of the Fund.

The investment objective of this Fund will also be amended to further clarify the existing investment policy and reference the new name of the Fund. Neither of the amendments will lead to any change in the way the Fund is managed. The amended objective for this Fund can be found in Appendix B attached.

The change will take effect on the Merger Effective Date.

### **2.2 Local Emerging Markets Short Duration Bond Fund**

The investment objective of this Fund will be changed to clarify that the duration of securities in which the Fund may invest shall not exceed five years instead of three year as previously stated – however, the average duration of securities held by the Fund will continue not to exceed two years. The amended objective for this Fund can be found in Appendix B attached.

The change will take effect on the Prospectus Effective Date.

### **2.3 Asia Pacific Equity Income Fund**

The investment objective of this Fund will be amended to note that this Fund will pay income gross of expenses. While this will allow the Fund to meet its investment objective of seeking an above average income, the payment of fees and expenses out of net realised and net unrealised capital gains or initially subscribed capital may reduce capital growth or reduce the capital of the Fund. Shareholders should note that where dividends are paid in this manner they may be taxable as income, depending on local tax legislation, and should seek their own professional tax advice in this regard. Expenses referred to in this manner include expenses included in the Fund's audited Total Expense Ratio and as well as custodial transaction charges. Details will be made available in the Fund's Annual Report and Accounts and subsequently updated in the Fund's Simplified Prospectus. The amended objective for this Fund can be found in Appendix B attached.

These changes will take place on the Prospectus Effective Date. As of this date all existing Distributing Shares in this Fund in issue will be designated as gross paying Shares referred to using the letter "G".

### **2.4 Action to take**

If you are a Shareholder in any of the Funds listed above, you need take no action if you are content with the changes to be made to the investment objectives. Alternatively you may either convert your holding into another of the Company's Funds without charge or redeem your holding (in accordance with the procedure in the Prospectus) without charge at any time up to the Merger Effective Date or the Prospectus Effective Date as applicable (although again you should note that any CDSC may apply).

Your conversion will be effected no later than the Dealing Day following receipt of your instruction. Redemption proceeds will be sent to you on the third business day following your instruction provided that all necessary payment instructions have been received in writing and you have provided various identification documents. Details of the documents required are available from the local Investor Servicing Team.

Investors should, however, consult their financial or other professional advisers on the possible tax or other consequences of buying, holding, transferring, switching, converting, redeeming or otherwise dealing in the Company's Shares under the laws of their countries of residence, citizenship and domicile.

### **3. Other changes to the Prospectus**

#### **3.1 European Opportunities Fund and Swiss Opportunities Fund**

The Funds will be renamed as the European Small & MidCap Opportunities Fund and the Swiss Small & MidCap Opportunities Fund respectively. The change of name of each fund is being made to reflect more closely each Fund's principal investment objective of investing at least 70% of its total assets in equity securities of small and mid capitalisation companies domiciled in, or exercising the predominant part of their economic activity in the relevant market of each Fund.

#### **3.2 Changes to the Board of Directors**

The Board of Directors has been changed to reflect the retirement of Jean-Claude Wolter.

#### **3.3 Change to the definition of Business Day**

The Directors have decided to amend the Prospectus to note that Christmas Eve will not be a Business Day for any of the Funds of the Company.

#### **3.4 Description of Class B Shares**

The Directors have decided that Class B Shares will no longer be issued to new investors and that all holdings of Class B shares will be transferred to Class A Shares following 31 March 2014, at which point any outstanding CDSC liability by holders will have been extinguished and therefore no CDSC will be triggered on such a transfer. Class A Shares have the same management fee as Class B Shares but do not charge a Distribution Fee.

References to the availability of Class B Shares where these have not been launched or have been fully redeemed will be removed from the Prospectus. This affects the following Funds:

- Asia Pacific Equity Income Fund
- European Focus Fund
- Global Corporate Bond Fund
- Global Inflation Linked Bond Fund
- Strategic Allocation Fund (Euro) – to be renamed as Flexible Multi-Asset Fund
- Strategic Allocation Fund (US Dollar)
- Swiss Opportunities Fund – to be renamed as Swiss Small & MidCap Opportunities Fund
- World Agriculture Fund

#### **3.5 Description of Class Q Shares**

References to the availability of Class Q Shares where these have closed will be removed from the Prospectus. This affects the following Funds:

- Euro Reserve Fund
- US Dollar Reserve Fund

The Prospectus wording will be clarified to note that where holders of Class Q Shares wish to



convert to Class B Shares (if available) any CDSC history will be carried over. In respect of conversion into any other eligible share class, where any CDSC liability has been extinguished on the Class Q Shares in question, any such conversion will not then be treated as a redemption, as would otherwise be the case.

### **3.6 Transfer of Shares**

The Prospectus will be amended to note that investors holding Shares of any Class through a distributor or other intermediary may request that their existing holdings be transferred to another distributor or intermediary who has an agreement with the Principal Distributor. Any transfer of Class B, Class C or Class Q Shares in this way is subject to the payment of any outstanding CDSC to the investor's existing distributor or intermediary.

### **3.7 Use of "Convertible Bonds"**

The Prospectus will be clarified to note that where convertible bonds are used in the pursuit of a Fund's investment objective they may be classified as fixed income assets or equity assets depending on the investment rationale used.

### **3.8 Currency management**

The Prospectus has been clarified so that where a Fund's investment objective states that "currency exposure is flexibly managed", this means that the Investment Adviser may be expected to regularly employ currency management and hedging techniques in the Fund. Techniques used may include hedging the currency exposure on a Fund's portfolio or/and using more active currency management techniques such as currency overlays, but does not mean that a Fund's portfolio will always be hedged in whole or in part.

### **3.9 Swing pricing**

The Directors have decided to amend the Prospectus so that the threshold levels between which the daily Net Asset Value of the relevant Fund may be adjusted to take into account the cost of market dealing do not include fiscal charges. Any applicable fiscal charges may, however, be included on top of the applicable threshold limits when calculating the level of the adjustment. This reflects the recent introduction of significant fiscal charges in certain jurisdictions. Currently it is not expected that these additional fiscal charges will exceed 2.5% of the relevant Net Asset Value.

### **3.10 Settlement timing on subscriptions**

The Prospectus will be clarified to note that settlement must be made within three Business Days unless specified in the contract note to reflect occasions where standard settlement date is a public holiday for the currency of settlement.

### **3.11 Share Class Description**

The Prospectus will be clarified to identify the reference number used to describe types of Distributing and Non-Distributing Shares used:

- Non-Distributing Shares of any class are also referred to using the number 2 e.g. Class A2.
- Distributing Shares for which dividends are calculated daily are known as Distributing (D) Shares, which in any class are also referred to using the number 1. e.g. Class A daily distributing Shares are described as Class A1.
- Those Shares for which dividends are calculated monthly are known as Distributing (M) Shares, which in any class are also referred to using the number 3. e.g. Class A3.
- Distributing Shares with quarterly dividend payment are known as Distributing (Q) Shares, which in any class are also referred to using the number 5. e.g. Class A5.
- Distributing Shares with annual dividend payment are known as Distributing (A) Shares, which in

any class are also referred to using the number 4. e.g. Class A4.

### **3.12 Bearer Shares**

Subject to the approval of the Shareholders of the Company all Bearer Shares will be redesignated as Registered Shares and all references to the availability of Bearer Shares will be removed from the Prospectus.

### **3.13 Stocklending**

The Prospectus will be clarified to note that the Company's stocklending agent may sub-delegate performance of its stocklending agency services to other BlackRock Group companies or third parties including Bank of America Group, Barclays Group, or PNC Group companies.

### **3.14 UK Tax update**

In November 2009, the UK Government regulations which provide for a new framework for the taxation of investments in offshore funds, to replace the existing UK Distributor Status regime, which would operate by reference to whether a fund opts into a reporting regime ("Reporting Funds") or not ("Non-reporting Funds"). Under the new regime, investors in Reporting Funds will be subject to tax on the share of the Reporting Fund's income attributable to their holding in the fund, whether or not distributed, but any gains on disposal of their holding should be subject to capital gains tax. The new regime will have effect for accounting periods beginning on or after 1 December 2009.

The Company is expected to opt into the new Reporting Funds regime with effect from 1 September 2010, although under the transitional provisions, funds wishing to offer new UK Distributor Status share classes after 1 December 2009 may be required to offer Reporting Fund share classes instead. Therefore, it is possible that the Company will offer both UK Distributor Status share classes and Reporting Fund share classes at some point in the period from 1 December 2009 to 1 September 2010.

The Directors currently intend to apply for "Reporting Fund" status in relation to funds which currently have UK Distributor Status when the regime comes into force. The Directors may also choose to apply for "Reporting Fund" status in respect of funds which do not currently have UK Distributor Status.

### **3.15 Action to take**

You need take no action if you are content with the changes to be made as set out above, in particular in respect to the change to swing pricing set out in paragraph 3.9. If you do not agree to the changes set out in paragraph 3.9, you may either convert your holding into another of the Company's Funds without charge or redeem your holding (in accordance with the procedure in the Prospectus) without charge at any time up to the Prospectus Effective Date (although again you should note that any CDSC may apply).

Your conversion will be effected no later than the Dealing Day following receipt of your instruction. Redemption proceeds will be sent to you on the third business day following your instruction provided that all necessary payment instructions have been received in writing and you have provided various identification documents. Details of the documents required are available from the local Investor Service centre.

Investors should, however, consult their financial or other professional advisers on the possible tax or other consequences of buying, holding, transferring, switching, converting, redeeming or otherwise dealing in the Company's Shares under the laws of their countries of residence, citizenship and domicile.

#### **4. Directors' responsibility**

The Board of Directors of the Company accepts responsibility for this letter and information contained in it. To the best of the knowledge and belief of the Board of 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.

#### **5. New Prospectus**

An updated Prospectus will be available from the local Investor Servicing Team on the Prospectus Effective Date. For the avoidance of doubt, capitalised terms used in this Letter shall bear the meaning set out in the updated Prospectus.

If you would like any further information, please contact the local Investor Servicing Team on +852 3553 0900 or your local representative.

Yours faithfully,

A handwritten signature in black ink that reads "Nicholas Hall". The signature is written in a cursive style and is positioned above the printed name and title.

Nicholas Hall  
Chairman

## Appendix A

### Current fees charged to Strategic Allocation Fund (US Dollar) and Strategic Allocation Fund (Euro)

<b>Strategic Allocation Fund (US Dollar)</b>	<b>Initial charge</b>	<b>Management Fee</b>	<b>Distribution Fee</b>	<b>CDSC</b>
Class A	5.00%	1.50%	0.00%	0.00%
Class B*	0.00%	1.50%	1.00%	4.00% to 0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class Q	0.00%	1.50%	1.25%	4.00% to 0.00%
Class X	0.00%	0.00%	0.00%	0.00%

<b>Strategic Allocation Fund (Euro)</b>	<b>Initial charge</b>	<b>Management Fee</b>	<b>Distribution Fee</b>	<b>CDSC</b>
Class A	5.00%	1.50%	0.00%	0.00%
Class B*	0.00%	1.50%	1.00%	4.00% to 0.00%
Class C	0.00%	1.50%	1.25%	1.00% to 0.00%
Class D	5.00%	0.75%	0.00%	0.00%
Class E	3.00%	1.50%	0.50%	0.00%
Class I	0.00%	0.75%	0.00%	0.00%
Class J	0.00%	0.00%	0.00%	0.00%
Class Q	0.00%	1.50%	1.25%	4.00% to 0.00%
Class X	0.00%	0.00%	0.00%	0.00%

All Shares Classes are also subject to an Administration Fee, which may be charged at a rate of up 0.25% per annum.

\* Class B Shares in this Fund cease to be offered from the Prospectus Effective Date.

**Summary of Share Class re-positioning in relation to the merger of Strategic Allocation Fund (US Dollar) into Strategic Allocation Fund (Euro)**

**Strategic Allocation Fund (US Dollar)**

<b>Fund Name (Merging Out Fund)</b>	<b>Fund Name (Merging In Fund)</b>
BGF Strategic Allocation (USD) A2 USD	BGF Flexible Multi-Asset A2 USD Hedged
BGF Strategic Allocation (USD) B2 USD	BGF Flexible Multi-Asset A2 USD Hedged
BGF Strategic Allocation (USD) C2 USD	BGF Flexible Multi-Asset C2 USD Hedged
BGF Strategic Allocation (USD) E2 USD	BGF Flexible Multi-Asset E2 USD Hedged
BGF Strategic Allocation (USD) Q2 USD	BGF Flexible Multi-Asset A2 USD Hedged

**Strategic Allocation Fund (Euro)**

<b>Fund Name (Pre-merger)</b>	<b>Fund Name (Post merger)</b>
BGF Strategic Allocation (EUR) A2 EUR	BGF Flexible Multi-Asset A2 EUR (No change)
BGF Strategic Allocation (EUR) B2 EUR	BGF Flexible Multi-Asset A2 EUR
BGF Strategic Allocation (EUR) C2 EUR	BGF Flexible Multi-Asset C2 EUR (No change)
BGF Strategic Allocation (EUR) E2 EUR	BGF Flexible Multi-Asset E2 EUR (No change)
BGF Strategic Allocation (EUR) Q2 EUR	BGF Flexible Multi-Asset A2 EUR

## Appendix B

### 1 AMENDMENTS TO THE INVESTMENT OBJECTIVE OF THE FUNDS REFERRED TO IN SECTION 2

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 **Local Emerging Markets Short Duration Bond Fund** seeks to maximise total return. The Fund invests at least 70% of its total assets in local currency-denominated fixed income transferable securities with a duration of less than five years issued by governments, agencies and companies domiciled in, or exercising the predominant part of their economic activity in, developing markets. The average duration is not more than two years. The full spectrum of available securities, including non-investment grade, may be utilised. Currency exposure is flexibly managed.

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