

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

19 November 2019

Dear Shareholder

The board of directors (the “Directors”) of BlackRock Global Funds (the “Company”) is writing to advise you of changes that it proposes to make to the Company and certain of its sub-funds (the “Funds”).

The changes set out in this letter will take effect from 31 December 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 currently in force (available at [www.Blackrock.com](http://www.Blackrock.com)) (the “Prospectus”).

### **Investment in People’s Republic of China (PRC)**

The investment policy of certain Funds will be changed to enable these Funds to increase their ability to invest in the PRC (a) via RQFII quota and/or via the Stock Connects; and/or (b) in the CIBM via the Foreign Access Regime and/or Bond Connect, thus enabling greater focus on the PRC. Please refer to the table in the Appendix (Part One) for details of the relevant Funds and the changes.

Stock Connects means each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively the “Stock Connects”) and allows international and Mainland Chinese investors to trade securities in each other’s markets through the trading and clearing facilities of their home exchange. RQFII means a Renminbi Qualified Foreign Institutional Investor.

Bond Connect means the initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China as described in the section entitled “China Interbank Bond Market” in the

“Investment Objectives and Policies” section of this Prospectus. CIBM means the Mainland China interbank bond markets of the PRC.

## **Investment in distressed securities and ABS/MBS**

The investment strategy of certain Funds will be changed to enable these Funds to invest in, or increase the ability to invest in, distressed securities and/or ABS/MBS. Please refer to the table in the Appendix (Part Two) for details of the relevant Funds and the changes. In light of the risks involved in these investments (described below), and in order to provide shareholders with greater transparency regarding their use, appropriate disclosure will be added to the investment policy of each relevant Fund.

The investment thresholds will be added or revised 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 and maximise the performance of the Funds.

There will be no further changes to the investment objectives, policies, overall risk profiles or to the way in which the relevant Funds are managed other than those described above.

### *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. 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.

## **Clarification of investment policies and change to Fund names**

The investment policy of certain Funds will be changed to give better clarity regarding the investment strategy of the Fund and to better distinguish the relevant Fund from other Funds in the Company, and for better consistency. Please refer to the table in the Appendix (Part Three) for details of the relevant Funds and the changes.

The names of the China A-Share Opportunities Fund, Global Enhanced Equity Yield Fund and Global SmallCap Fund will be amended to include the word “Systematic”, in order to reflect the investment approach followed by the Funds. The new Fund names will be as follows: “Systematic China A-Share Opportunities Fund”, “Systematic Global Equity High Income Fund” and “Systematic Global SmallCap Fund”.

These changes to the investment policies and names of the relevant Funds will have no impact on the investment strategy of the relevant Funds and are being made purely for clarification purposes.

Please note also for the Global Enhanced Equity Yield Fund that the management fee on Class D, DD, I and S Shares will be reduced from 0.75% to 0.60% on 2 December 2019.

## **Clarification of the dividend policy of the Funds**

New disclosure will be added under the section entitled “Dividend Policy” to clarify the dividend policy of the Funds as it relates to the distribution of income gross of expenses. The following Funds distribute income gross of expenses across all distributing share classes: Asia Pacific Equity Income Fund, Asian Multi-Asset Growth Fund (to be renamed Asian Multi-Asset Income Fund), Emerging Markets Equity Income Fund, Dynamic High Income Fund, European Equity Income Fund, Global Conservative Income Fund, Global Equity Income Fund, Global Multi-Asset Income Fund, Natural Resources Growth & Income Fund, North American Equity Income Fund and Global Enhanced Equity Yield Fund (to be renamed as Systematic Global Equity High Income Fund).

There is no change being made to the dividend policy of the Funds as a result of the inclusion of the additional disclosure.

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

The definition of what constitutes a “Business Day” in the glossary of the prospectus is being changed to add reference to the closure of currency exchange vendors, as follows:

*“Business Day means any day normally treated by the banks in Luxembourg as a business day (except for Christmas Eve) and such other days as the Directors may decide. The Management Company may also take into account whether relevant local exchanges are open for Funds that invest a substantial amount in assets outside the Eurozone, and/or whether relevant currency exchange vendors are open for Funds that have substantial exposure to a currency other than their respective Base Currency, and may elect to treat such closures as non-business days. Information regarding closures of local exchanges or currency exchange vendors treated by the Management Company as non-business days will be available before such a non-business day and can be obtained from the registered office of the Company and from the local Investor Servicing team”.*

For certain Funds, this change may result in a small number of additional non-Business Days.

## **European Focus Fund**

The management fee for the share classes available on the European Focus Fund were reduced by 0.25% with effect from 14 October 2019. Please refer to the prospectus for full details.

## **Distributing Shares**

On 1 August 2019, the letter “G” (referencing payment of income gross of expenses) was added or removed to the names of some Distributing Shares in accordance with the prospectus (see section entitled “Classes and Form of Shares”). This was an administrative clarification in the name of the share classes and no changes were made to the manner in which the share classes are operated.

## **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 Investor Services Team (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

Updated versions of the Prospectus will be available to Shareholders free of charge from the Effective Date. 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 Investor Services Team at: [Investor.services@blackrock.com](mailto:Investor.services@blackrock.com), telephone 00 44 (0)207 743 3300.

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.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Paul Freeman', written over a horizontal line.

**Paul Freeman**  
Chairman

## Appendix

### Part One: Investment in People's Republic of China (PRC)

For the below listed Funds the ability to invest in the PRC via RQFII quota and/or the Stock Connects and/or the Foreign Access Regime and/or Bond Connect (as appropriate) has been extended from 10% to 20% of total assets. Where a Fund invests in the PRC via both the RQFII quota and/or the Stock Connects and/or the Foreign Access Regime and/or Bond Connect there is an aggregate limit of 20% of total assets.

Fund	New Limit
ASEAN Leaders Fund, Asia Pacific Equity Income Fund, Asian Dragon Fund, China Fund, Emerging Markets Fund, Emerging Markets Equity Income Fund, FinTech Fund, Future Of Transport Fund, Global Dynamic Equity Fund, Global Enhanced Equity Yield Fund (to be renamed Systematic Global Equity High Income Fund), Global Equity Income Fund, Global Long-Horizon Equity Fund, Global SmallCap Fund (to be renamed Systematic Global SmallCap Fund), Natural Resources Growth & Income Fund, Sustainable Energy Fund, Next Generation Technology Fund, Nutrition Fund, Pacific Equity Fund, World Energy Fund, World Financials Fund, World Gold Fund, World Healthscience Fund, World Mining Fund, World Real Estate Securities Fund and World Technology Fund	The Fund may invest directly up to 20% of its total assets in the PRC by investing via RQFII Quota and/or the Stock Connects, as appropriate, depending on the Funds concerned.
Asian High Yield Bond Fund, Asian Tiger Bond Fund, Emerging Markets Bond Fund, Emerging Markets Corporate Bond Fund, Emerging Markets Local Currency Bond Fund, ESG Emerging Markets Blended Bond Fund, ESG Emerging Markets Bond Fund, ESG Emerging Markets Corporate Bond Fund, ESG Emerging Markets Local Currency Bond Fund, Fixed Income Global Opportunities Fund, Global Bond Income Fund, Global Corporate Bond Fund, Global Government Bond Fund, US Dollar Bond Fund, US Dollar Short Duration Bond Fund, World Bond Fund	The Fund may invest up to 20% of its total assets in the PRC via the RQFII Quota and/or Foreign Access Regime and/or Bond Connect and/or other means as may be permitted by the relevant regulations from time to time, as appropriate, depending on the Funds concerned.



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Fund	New Limit
Dynamic High Income Fund, ESG Multi-Asset Fund, Global Allocation Fund, Global Conservative Income Fund, Global Multi-Asset Income Fund, Market Navigator Fund	The Fund may invest up to 20% in aggregate of its total assets in the PRC via the Stock Connects, the Foreign Access Regime and/or Bond Connect

## Part Two: Investment in distressed securities and ABS/MBS

For the below listed Funds the ability to invest in distressed securities or ABS/MBS is being extended.

Fund	New Disclosures
Emerging Markets Bond Fund	The Fund's exposure to Distressed Securities is limited to 10% of total assets. (No reference currently).
Emerging Markets Corporate Bond Fund	The Fund's exposure to Distressed Securities is limited to 10% of total assets. (No reference currently).
European High Yield Bond Fund	The Fund's exposure to Distressed Securities is limited to 10% of total assets. (No reference currently).
Fixed Income Global Opportunities Fund	<p>As part of its investment objective the Fund may invest up to 100% of its total assets in ABS and MBS whether investment grade or not. (50% currently).</p> <p>Additional language regarding ABS/MBS and leverage will be added to the investment policy of the Fund to provide better clarity – full statement of investment objective and policy as follows:</p> <p>“The Fixed Income Global Opportunities Fund seeks to maximise total return. The Fund invests at least 70% of its total assets in fixed income transferable securities denominated in various currencies issued by governments, agencies and companies worldwide. The full spectrum of available securities, including non-investment grade, may be utilised. Currency exposure is flexibly managed.</p> <p>The Fund is a CIBM Fund and may gain direct exposure for no more than 20% of its total assets</p>

Fund	New Disclosures
	<p>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.</p> <p>As part of its investment objective the Fund may invest up to 100% of its total assets in ABS and MBS. ABS and MBS are debt securities backed or collateralised by the income stream from an underlying pool of assets or mortgage loans respectively. It is anticipated that a large portion of the ABS and MBS held by the Fund will have an investment grade rating, but the Fund will be able to use the full spectrum of available ABS and MBS, including non-investment grade instruments. ABS and MBS held by the Fund 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 issuers of the ABS and MBS may be companies, governments or municipalities and, more particularly, the Fund may hold MBS issued by government-sponsored enterprises (“agency MBS”). 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). Although this will not typically be the case, the ABS and MBS in which the Fund invests may use leverage to increase return to investors.</p> <p>The Fund’s exposure to contingent convertible bonds is limited to 20% of total assets. The Fund’s exposure to Distressed Securities is limited to 10% of its total assets.</p>

Fund	New Disclosures
	<p>The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management. Where the Fund uses derivatives, this may generate varying amounts of market leverage (i.e. where the Fund gains market exposure in excess of the value of its assets) and at times these levels of market leverage may be high. The use of derivatives will inevitably create leverage, because of the required calculation method i.e. leverage is the sum or gross notional exposure created by the derivatives used. A high leverage number is not necessarily an indication of high risk.”</p>
Global High Yield Bond Fund	<p>The Fund’s exposure to Distressed Securities is limited to 10% of total assets. (No reference currently).</p>
US Dollar Bond Fund	<p>As part of its investment objective the Fund may invest up to 100% of its total assets in ABS and MBS whether investment grade or not. (50% currently).</p> <p>Additional language regarding ABS/MBS and leverage will be added to the investment policy of the Fund to provide better clarity – full statement of investment objective and policy as follows:</p> <p>“The US Dollar Bond Fund seeks to maximise total return. The Fund invests at least 80% of its total assets in investment grade fixed income transferable securities. At least 70% of the Fund’s total assets are invested in fixed income transferable securities denominated in US dollars. Currency exposure is flexibly managed.</p> <p>The Fund is a CIBM Fund and may gain direct exposure for no more than 20% 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.</p>

Fund	New Disclosures
	<p>As part of its investment objective the Fund may invest up to 100% of its total assets in ABS and MBS. ABS and MBS are debt securities backed or collateralised by the income stream from an underlying pool of assets or mortgage loans respectively. It is anticipated that a large portion of the ABS and MBS held by the Fund will have an investment grade rating but the Fund will be able to utilise the full spectrum of available ABS and MBS, including non-investment grade or not instruments. ABS and MBS held by the Fund 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 issuers of the ABS and MBS may be companies, governments or municipalities and, more particularly, the Fund may hold MBS issued by government-sponsored enterprises ("agency MBS"). 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). Although this will not typically be the case, the ABS and MBS in which the Fund invests may use leverage to increase return to investors.</p> <p>The Fund's exposure to Distressed Securities is limited to 10% of its total assets and its exposure to contingent convertible bonds is limited to 10% of its total assets.</p> <p>The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management. Where the Fund uses derivatives, this may generate varying amounts of market leverage (i.e. where the Fund gains market exposure in excess of the value of its assets) and at times these levels of market leverage may be</p>

Fund	New Disclosures
	high. The use of derivatives will inevitably create leverage, because of the required calculation method i.e. leverage is the sum or gross notional exposure created by the derivatives used. A high leverage number is not necessarily an indication of high risk.”
US Dollar High Yield Bond Fund	The Fund’s exposure to Distressed Securities is limited to 10% of total assets. (No reference currently).

## Part Three: Clarification of investment policies

Fund	New Disclosures
Global Long-Horizon Equity Fund	<p>“The Global Long-Horizon Equity Fund seeks to maximise total return. The Fund invests globally, with no prescribed country, regional or capitalisation limits, at least 70% of its total assets in equity securities. <u>The Fund may invest in equity securities that, in the opinion of the Investment Adviser, have a sustained competitive advantage and will typically be held over a long-term horizon.</u> Currency exposure is flexibly managed.”</p>
<p>China A-Share Opportunities Fund (to be renamed Systematic China A-Share Opportunities Fund)</p> <p>Global Enhanced Equity Yield Fund (to be renamed Systematic Global Equity High Income Fund)</p> <p>Global SmallCap Fund (to be renamed Systematic Global SmallCap Fund)</p>	<p>The following paragraph will be added to the existing investment policies of the Funds:</p> <p>“In order to achieve its investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. In particular, the Fund will use quantitative (i.e. mathematical or statistical) models in order to achieve a systematic (i.e. rule based) approach to stock selection. This means that stocks will be selected based on their expected contribution to portfolio returns when risk and transaction cost forecasts are taken into account.”</p>
<p>Asia Pacific Equity Income Fund, Emerging Markets Equity Income Fund, European Equity Income Fund, Global Conservative Income Fund,</p> <p>Global Enhanced Equity Yield Fund (to be renamed Systematic Global Equity High Income Fund), Global Equity Income Fund, Global Multi-Asset Income Fund, Natural Resources Growth &amp; Income Fund,</p> <p>North American Equity Income Fund</p>	<p>The following statement regarding the dividend policy of the Fund will be removed from the investment policy of the Fund and set out in the section of the prospectus entitled “Dividend Policy”:</p> <p>“This Fund distributes income gross of expenses”.</p>