

FOR PROFESSIONAL CLIENTS AND
QUALIFIED INVESTORS ONLY



BLACKROCK®

Accessing China

The BlackRock Chinese equity fund range



The SRRI risk disk applies to China Fund, China Flexible Equity Fund and China A-Share Opportunities Funds. Please note that the Funds typically have a risk of high volatility.

Why China?

China is a market of opportunities. Backed by the world's largest population, the second largest economy and an increasingly sustainable growth path, Chinese equity markets could present a rich hunting ground for investors looking to gain exposure to the structural changes of the Chinese economy.

The domestic onshore market is increasingly opening up to foreign investors and allowing access to sectors, industries and themes that have historically been challenging to harness. Offshore, Chinese equities continue to trade with great volume in Hong Kong and further afield, providing another entry point to the world's second largest equity market.

Dynamic, vibrant and now more accessible than ever before, we believe Chinese equities offer investors an attractive opportunity to invest in the transformation of this huge country.

CAPITAL AT RISK. All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.

The markets

Onshore Chinese equities are those listed in mainland China - namely A-shares and B-shares.

With more than 3,000 A-shares listed, this is the category with the highest liquidity. Historically, A-shares were the preserve of domestic investors

only but the market has gradually opened up to international investors in recent years through various quotas and schemes such as QFII, RQFII and Stock Connect.

B-shares are a much smaller universe of 100, mostly illiquid, shares.

Offshore Chinese equities are Chinese stocks listed outside China and, as such, are freely tradable by international investors.

The Hong-Kong listed H-shares, issued by companies incorporated in mainland China, are the most well-known category among offshore Chinese equities. This market is largely open to Chinese domestic investors via the Stock Connect programmes. Red-chips and P-chips are also listed in Hong Kong but by Chinese companies incorporated outside mainland China.

A number of Chinese companies, particularly in the technology sector, are accessible through US-listed ADRs.

BlackRock has a range of China-focused equity strategies that can provide access to both onshore and offshore equity markets. Discover the fund that may suit your needs.

BlackRock China active equity strategies

Fund name	China Fund A sub-fund of BlackRock Global Funds (BGF)
Use this Fund to	Harness the broad investment opportunities during China's structural transformation
How it works	Managed using a flexible approach, the Fund invests mainly in Chinese offshore equities by utilising top-down macro and bottom-up fundamental research to construct a diversified portfolio
Who should consider this Fund?	The Fund could appeal to investors: <ul style="list-style-type: none"> • Looking for access to alpha opportunities in China via a broader, more diversified exposure • Seeking to invest in a fund with a long operating track record • Looking to take advantage of the opportunities arising from China's structural transformation
Managed by	Helen Zhu
Fund inception	June 2008
Benchmark	MSCI China 10/40
Liquidity	Daily
Style	Fundamental, long-only
Universe	Offshore (>70%): H-shares, Red-chips, P-chips, ADRs Onshore (up to 30%): A-shares, B-shares (onshore physical exposure limited to 10%)
Large Mid Small	
Fees (A2-share class)	1.50%
Fees (Z-share class)	n/a
Tracking error target	3%-8%
Target alpha (gross p.a.)	3%-4%
RISK: There is no guarantee that a positive investment outcome will be achieved. Please note that this is a target only and BlackRock does not provide a guarantee that it will be met.	<p>Exchange rate risk: The return of your investment may increase or decrease as a result of currency fluctuations.</p> <p>Emerging markets: Emerging market investments are usually associated with higher investment risk than developed market investments. Therefore the value of these investments may be unpredictable and subject to greater variation.</p> <p>Smaller company investments: Smaller company investments are often associated with greater investment risk than those of larger company shares.</p> <p>China: Investments in China are subject to certain additional risks, particularly regarding the ability to deal in equity securities in China due to issues relating to liquidity and the repatriation of capital. As a result, the Fund may choose to gain exposure to Chinese equities indirectly and may be unable to gain full exposure to Chinese equity markets.</p> <p>Concentration Risk (Single Country): The Fund typically invests in a concentrated portfolio of investments and should a particular investment decline in value, this will have a pronounced effect on the overall value of the Fund.</p>

China Flexible Equity Fund	China A-Share Opportunities Fund
A sub-fund of BlackRock Global Funds (BGF)	A sub-fund of BlackRock Global Funds (BGF)
Harness the investment opportunities during China's structural transformation via a more targeted exposure	Harness the growth opportunities in the onshore China A-share market via a diversified portfolio of equities that have low correlation to developed markets and other Chinese equities
Managed via a flexible approach, the Fund invests across A-shares and Chinese offshore equities with a concentrated portfolio comprising the highest conviction idea driven by fundamentals	The Systematic Active Equity (SAE) team follows a disciplined, risk-controlled process that blends investment insight with cutting-edge technology. With a focus on constant evolution and innovation, we look to blend fundamental, sentiment and macro thematic insights into an investment model that is increasingly being developed using the latest big data and artificial intelligence/machine learning technology
The Fund could appeal to investors: <ul style="list-style-type: none"> Looking for access to alpha opportunities in China via a targeted exposure Seeking to tap a wide range of investment opportunities across A-shares and offshore equities without the need to separately allocate to two different strategies Looking to take advantage of the opportunities arising from China's structural transformation 	The Fund could appeal to investors looking to: <ul style="list-style-type: none"> Exploit the untapped investment opportunity in the Chinese A-share market Enjoy the benefits of an innovative, cutting-edge investment philosophy Diversify their equity exposure with a broader set of investment ideas than those offered by a traditional fund
Helen Zhu	Rui Zhao/Jeff Shen
October 2017	October 2017
MSCI China 10/40	MSCI China A
Daily	Daily
Fundamental, high-conviction, long-only	Systematic, long-only
Offshore (0%-100%): H-shares, Red-chips, P-chips, ADRs Onshore (0%-100%): A-shares, B-shares	Onshore (100%): A-shares
	
1.50%	1.50%
0.50%	0.50%
5%-9%	3%-5%
4%-5%	3%-5% (IR target 1.0)
<p>Exchange rate risk: The return of your investment may increase or decrease as a result of currency fluctuations.</p> <p>Emerging markets: Emerging market investments are usually associated with higher investment risk than developed market investments. Therefore the value of these investments may be unpredictable and subject to greater variation.</p> <p>Smaller company investments: Smaller company investments are often associated with greater investment risk than those of larger company shares.</p> <p>China: Investments in China are subject to certain additional risks, particularly regarding the ability to deal in equity securities in China due to issues relating to liquidity and the repatriation of capital. As a result, the Fund may choose to gain exposure to Chinese equities indirectly and may be unable to gain full exposure to Chinese equity markets.</p> <p>Concentration Risk (Single Country): The Fund typically invests in a concentrated portfolio of investments and should a particular investment decline in value, this will have a pronounced effect on the overall value of the Fund.</p> <p>Derivative Risk general (derivatives, options, covered calls): The Fund uses derivatives as part of its investment strategy. Compared to a fund which only invests in traditional instruments such as stocks and bonds, derivatives are potentially subject to a higher level of risk.</p>	<p>Exchange rate risk: The return of your investment may increase or decrease as a result of currency fluctuations.</p> <p>Emerging markets: Emerging market investments are usually associated with higher investment risk than developed market investments. Therefore the value of these investments may be unpredictable and subject to greater variation.</p> <p>Smaller company investments: Smaller company investments are often associated with greater investment risk than those of larger company shares.</p> <p>China: Investments in China are subject to certain additional risks, particularly regarding the ability to deal in equity securities in China due to issues relating to liquidity and the repatriation of capital. As a result, the Fund may choose to gain exposure to Chinese equities indirectly and may be unable to gain full exposure to Chinese equity markets.</p> <p>Concentration Risk (Single Country): The Fund typically invests in a concentrated portfolio of investments and should a particular investment decline in value, this will have a pronounced effect on the overall value of the Fund.</p>

Why BlackRock

BlackRock helps people around the world, as well as the world's largest institutions and governments, pursue their investing goals. We offer:

- A comprehensive set of innovative solutions, including mutual funds, separately managed accounts, alternatives and iShares® ETFs
- Global market and investment insights
- Sophisticated risk and portfolio analytics

We work only for our clients, who have entrusted us with managing \$6.288 trillion*, earning BlackRock the distinction of being trusted to manage more money than any other investment firm in the world.

*Assets Under Management (AUM) as at 31 December 2017.

Risks

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. You may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

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