Key Information Document

BlackRock

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

BlackRock Defensive Investment Fund (the "Fund"), **Class X1 Acc GBP** (the "Unit Class"), ISIN: **GB00BQSB8Y62**, is manufactured by BlackRock Fund Managers Limited (the "Manager"). The Manager is authorised in the UK and regulated by the Financial Conduct Authority (the "FCA"). More information is available at **www.blackrock.com** or by calling **03333 000 356**. This document is dated 01 July 2026.

What is this product?

Type: The Fund is a sub-fund of BlackRock Authorised Contractual Scheme (2), an umbrella authorised contractual scheme, authorised by the Financial Conduct Authority (FCA) as a non-UCITS retail scheme and is operated as a fund of alternative investment funds. The Fund is classified as an alternative investment fund for regulatory purposes.

Term: The Fund does not have a fixed term of existence or maturity period, but in certain circumstances the Manager and the Depositary must wind up the Scheme or terminate the Fund if directed to do so by the FCA in exercise of its powers under section 261X of FSMA, or if an extraordinary resolution to that effect is passed by the unitholders, provided the FCA has consented to the resolution, and in each case subject to compliance with the Fund's prospectus and applicable regulation.

Objectives

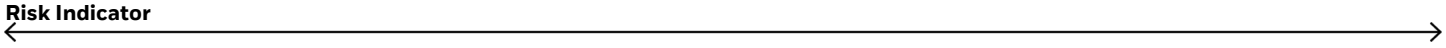
- The Fund aims to achieve a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) over the long-term (5 or more consecutive years), whilst incorporating the environmental, social and governance (ESG) commitments described below.
- The Fund will invest globally at least 70% of its total assets in other funds to gain exposure to equity securities, fixed income ("FI") securities, alternative asset classes, derivatives (for both investment purposes and EPM), money market instruments ("MMIs"), and commodities. Commodity exposure is not expected to exceed 10%). The exposure to alternative assets will typically be achieved by the Fund investing in one or more long-term asset funds ("LTAFs") that invest at least 50% of their assets in alternative assets such as private equity, private debt, private real estate and/or private infrastructure. Up to 20% of the Fund's assets may be invested in LTAFs (in aggregate).
- The Fund may also invest directly in equity securities, FI securities, (up to a maximum of 10%) exchange-traded commodities, MMIs, (up to a maximum of 15%) unregulated collective investment schemes money market instruments, "MMIs"), deposits and cash. The Fund will seek to maintain a portfolio providing exposure to approximately 20% to 60% FI securities with the balance in equity securities and alternative asset classes (save for any investments for liquidity or EPM purposes and limited indirect exposure to derivatives, unregulated collective investment schemes and exchange-traded commodities).
- The Fund's investment manager (IM) may use derivatives to help achieve the Fund's investment objective or for efficient portfolio management purposes (EPM) (i.e. to reduce risk or costs within the Fund's portfolio or generate additional income). The Fund may engage in short-term secured lending of its investments to certain eligible third parties to generate additional income and off-set costs.
- At least 80% of the assets the Fund invests in government bond funds must be in funds that track benchmarks comprised of at least 50% of government bond issuers with an ESG government rating of BB or higher. At least 70% of the assets the Fund invests in other funds, other than funds used for EPM purposes, government bond funds, LTAFs, and commodity funds and unregulated funds ("Excluded Funds") must be in funds that apply ESG criteria (as set out in the Fund's prospectus) within their investment processes. In addition, for funds in which the Fund invests other than Excluded Funds, the Fund aims to achieve, as calculated at the end of each calendar quarter, an ESG score that is higher than the reference comparator (as detailed in the Fund's prospectus) and a 'carbon emission intensity score' that is lower than the reference comparator.
- The Fund is intended to be used as part of a broader investment portfolio for pension savers as they get closer to retirement.
- The Fund is actively managed and the IM has discretion to select the Fund's investments. The Fund invests in other funds (regulated and unregulated), FI securities, equity securities, alternative assets, exchange-traded commodities, MMIs and derivatives and so the value of your investment may be affected by the factors which impact the value of those assets.
- The price of FI securities may be affected by changing interest rates which in turn may affect the value of your investment. FI securities prices move inversely to interest rates. Therefore, the market value of FI securities may decrease as interest rates increase. The credit rating of an issuing entity will generally affect the yield that can be earned on FI securities; the better the credit rating the smaller the yield. The price of equity securities fluctuates daily and may be influenced by factors affecting the performance of the individual companies issuing the equities, as well as by daily stock market movements, and broader economic and political developments which in turn may affect the value of your investment.
- LTAFs invest in long term illiquid assets, and it may therefore take a significant period of time for an LTAF to make an investment. The assets of LTAFs may be subject to legal or other restrictions on transfer and no liquid market may exist (i.e. it may not be possible to sell the asset for an extended period of time or at all). The market prices, if any, for such assets tend to be volatile and may not be readily ascertainable, and LTAFs may not be able to sell them when they want to, or realise what they perceive to be their fair value upon sale. The price of underlying funds changes regularly depending on the performance of the assets held by them which in turn may affect the value of your investment.
- Recommendation: This Fund may not be appropriate for short-term investment.
- The return on your investment in the Fund is directly related to the value of the underlying assets of the Fund, less costs (see "What are the costs?" below).
- The relationship between the return on your investment, how it is impacted and the period for which you hold your investment is considered below under "How long should I hold it and can I take my money out early?".
- Your units will be accumulating units (i.e. dividend income will be included in their value).
- Your units will be denominated in Sterling, the Fund's base currency. Where the Fund invests in assets denominated in a currency other than Sterling, the IM may use derivatives including currency forwards (a type of derivative which locks in the price at which an entity can buy or sell a currency at a future date) in order to reduce the effect of fluctuations in the exchange rate between that other currency and Sterling.
- You can buy and sell your units daily. The minimum initial investment for this unit class is £1,000,000.

Intended retail investor: The Fund is intended for retail investors with the ability to bear losses up to the amount invested in the Fund.

Insurance benefits: The Fund does not offer any insurance benefits.

What are the risks and what could I get in return?

Risk Indicator



Lower risk **Higher risk**

1	2	3	4	5	6	7

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

- The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.
- We have classified this product as 3 out of 7, which is a medium low risk class. This classification rates the potential losses from future performance at a medium low level, and poor market conditions could affect the value of your investment. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.
- **Be aware of currency risk.** If you receive payments in a currency that is different to the product's base currency, the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.
- Please refer to the product's Prospectus for details of other materially relevant risks that may apply to this product.
- This product does not include any protection from future market performance so you could lose some or all of your investment.
- If the product is not able to pay you what is owed, you could lose your entire investment.

Investment performance information

- The Fund's asset allocation (i.e., mix of assets) is expected to remain stable over time and will drive investment performance. Given the fund is intended to be used as part of a broader investment portfolio for pension savers as they get closer to retirement, the majority of assets will be held in fixed income securities which are therefore likely to be the main driver or risk and return.
- The Fund does not utilise a benchmark to assess its performance as the Fund's asset allocation is changeable.

What could affect my return positively?

- The Fund's absolute performance will be maximised during periods of reasonable price volatility and stable correlations between asset classes.

What could affect my return negatively?

- The most adverse scenario for the Fund could be when equity markets are going down and there is positive correlation observed between fixed income and equity assets such that either asset fails to provide diversification and both equities and bonds deliver negative returns.
- Under severe market conditions, it is expected that negative returns will be experienced across most asset classes and the Fund is likely to experience losses. The investor redeeming under such adverse conditions may experience a financial loss due to negative performance, trading costs, and potential lack of liquidity.

What happens if BlackRock Fund Managers Limited is unable to pay out?

The assets of the Fund are held in safekeeping by its Depositary, Northern Trust Investor Services Limited ("NTISL"). The Depositary has delegated custody services to The Northern Trust Company, London Branch. In the event of the insolvency of the Manager, the Fund's assets in the safekeeping of the Depositary will not be affected. However, in the event of the Depositary's insolvency, or someone acting on their behalf, or the insolvency of The Northern Trust Company, London Branch, the Fund may suffer a financial loss. In the event of the insolvency of the Manager or The Northern Trust Company, London Branch, you may be eligible for compensation under the Financial Services Compensation Scheme up to a maximum of £85,000 per claim. More information about what is covered by the Financial Services Compensation Scheme can be found on its website www.fscs.org.uk.

What are the costs?

Presentation of costs

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for one or more different holding periods. The figures assume you invest GBP 10,000. The figures are estimates and may change in the future.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment GBP 10,000 Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	7 GBP	22 GBP	38 GBP
Impact on return (RIY) per year	0.07%	0.07%	0.07%

Composition of Costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	-	We do not charge an entry fee.*
	Exit costs	-	We do not charge an exit fee.*
Ongoing costs	Portfolio transaction costs	0.04 %	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0.02 %	The impact of the costs that we take each year for managing your investments. Any underlying product costs are included here with the exception of transaction costs which would be included above under 'Portfolio transaction costs'.**
Incidental costs	Performance fees	-	There is no performance fee for this product.
	Carried interests	-	There are no carried interests for this product.

* Please refer to the person selling you or advising you about this product for the actual charges.

** This figure is based on estimated costs, often referencing historic data, and therefore the actual costs paid by an investor may differ.

How long should I hold it and can I take money out early? Recommended Holding Period: 5 years

The recommended holding period (RHP) has been calculated in line with the investment strategy of the Fund and the time frame in which it is expected that it will be possible to achieve the investment objective of the Fund. Any investment should be considered against your specific investment needs and appetite for risk. BlackRock has not considered the suitability or appropriateness of this investment for your personal circumstances. If you are in any doubt about the suitability of the Fund to your needs you should seek appropriate professional advice. Details of dealing frequency can be found under “What is this product?”. You may receive less than expected if you cash in earlier than the RHP. The RHP is an estimate and must not be taken as a guarantee or an indication of future performance, return or risk levels. Please see the “What are the costs?” section for details of any exit fees.

How can I complain?

If you are not entirely satisfied with any aspect of the service you have received and you wish to complain, details of our complaints handling process are available at www.blackrock.com/uk/individual/about-blackrock/contact-us. Additionally, you can also write to the Investor Services Team, at BlackRock’s UK Registered Office, 12 Throgmorton Avenue, London, EC2N 2DL or e-mail them at BlackRockFSC@ntrs.com.

Other relevant information

The latest version of this document, the latest annual report and half-yearly report and any additional information issued to unitholders can be obtained free of charge, in English, from www.blackrock.com or by calling the Investor Services Team on 03333 000 356 or from your broker, financial adviser or distributor. There is insufficient data to provide a useful indication of past performance.

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