

Distributing (S) (Class 6) Shares/Units explained

- Investment involves risk, including the loss of principal. Past performance is not indicative of future results.
- BlackRock Emerging Markets Local Currency Bond Fund, BlackRock Euro Bond Fund, BlackRock Euro Corporate Bond Fund, BlackRock Euro Short Duration Bond Fund, BlackRock Fixed Income Global Opportunities Fund, BlackRock Global Corporate Bond Fund, BlackRock Global Government Bond Fund, BlackRock Global Inflation Linked Bond Fund, BlackRock Sustainable World Bond Fund, BlackRock US Dollar Bond Fund, BlackRock US Dollar Short Duration Bond Fund and BlackRock US Government Mortgage Impact Fund may use derivatives for hedging and extensively for investment purposes. Risks associated with derivatives include counterparty/credit, liquidity, valuation, volatility and market risks. The Funds' volatility may increase or decrease from its derivative usage and may suffer losses.
- BlackRock Euro Reserve Fund and BlackRock US Dollar Reserve Fund may use derivatives for hedging. The Funds may suffer losses from its derivative usage.
- Sub-funds of BlackRock Global Funds (except the Funds mentioned above) may use derivatives for hedging and for investment purposes. However, usage for investment purposes will not be extensive. The Funds may suffer losses from its derivatives usage.
- Sub-funds of BlackRock Premier Funds may use derivatives for hedging, cash management and/or investment purposes. In adverse situations, the Funds' use of derivative may be ineffective and the Funds may suffer significant losses.
- BlackRock Global Funds' **Class 3(G)**, **Class 4(G)** and **Class 5(G)** Shares pay dividends gross of expenses. **Class 6** and **Class 10** Shares pay dividends gross of expenses and/or from capital at the Directors' discretion. **Class 8 Shares** pay dividends gross of expenses and/or from capital at the Directors' discretion and include interest rate differentials arising from share class currency hedging. Negative interest rate differentials may decrease the dividends paid. **Class 9 Shares** pay dividend gross of expenses and/or from capital at the Directors' discretion. Dividend payment on an annual basis must be at least equal to the Dividend Threshold Amount, and in the event of a shortfall, a material portion of any dividend payment may be made out of capital. The Dividend Threshold Amount may be reduced during the year and it is not an alternative to a savings account or fixed-interest paying investment. Paying dividends gross of expenses may result in more income being available for distribution; however, these shares may effectively pay dividends from capital – may amount to a partial return or withdrawal of an investor's original investment or capital gains. All declared dividends result in an immediate reduction in the NAV price of the share class on the ex-dividend date.
- BlackRock Premier Funds' **Class 6 Units** pay dividends gross of expenses and/or from capital at the Managers' discretion. **Class 8 Units** pay dividends gross of expenses and/or from capital at the Managers' discretion and include interest rate differentials arising from unit class currency hedging. **Class 9 Units** pay dividends gross of expenses and/or from capital at the Managers' discretion and may include interest rate differentials arising from unit class currency hedging. Negative interest rate differentials may decrease the dividends paid. Paying dividends gross of expenses may result in more income being available for distribution; however, these units may effectively pay dividends from capital – may amount to a partial return or withdrawal of an investor's original investment or capital gains. All declared dividends result in an immediate reduction in the NAV price of the unit class on the ex-dividend date.
- The value of the Funds can be volatile and can go down substantially within a short period of time. It is possible that a certain amount of your investment could be lost.
- Investors should not make investment decisions based on this document alone. Investors should refer to the Prospectus and Key Facts Statement for details including risk factors.

Distributing (S) Shares/Units (the "Shares") are available on a selection of sub funds within the BlackRock Global Funds (BGF) and BlackRock Premier Funds (BPF) ranges. The Shares aim to provide investors with a stable monthly dividend per share/unit ("share"), by smoothing income generated by a fund over time.

The Shares may only be suitable for investors who seek to receive a consistent (stable) monthly dividend irrespective of the income generated by the fund in any single period, and are aware of and willing to accept the potential for reduced future capital growth. They are not suitable for investors seeking guaranteed dividend or who are primarily looking to maximise total returns.

Distributing (S) Shares/Units aim to:

- Pay regular (monthly) dividends of a more consistent (stable) nature compared to non-stable distributing shares (see table)
- Pay dividends based on income gross of expenses

However, Distributing (S) Shares/Units do not:

- Guarantee dividend – the Directors retain full discretion to alter the dividend payout at any time
- Protect capital – part of any dividend may come from invested assets due to the smoothing process. In extreme cases, the entire dividend may be paid from capital
- Necessarily provide a high dividend – the emphasis is on stability and sustainability over time, not targeting a particular dividend distribution level

Key considerations:

- In an effort to provide a more consistent dividend payout, the distributions on the Shares may be expected to include capital as monthly dividend can be more than a fund's income
- Dividend will be paid gross of expenses. All fees and expenses will be deducted from invested assets of the relevant fund and may erode fund capital
- Partial or entire payment of dividends from gains or invested capital may reduce the potential for long-term capital growth of your investment and/or increase risk of capital losses
- Investors should be aware of any impact to their personal taxation situation before investing in the Shares

How do Distributing (S) Shares/Units operate?

The Shares seek to pay investors a regular, relatively stable amount per share in line with the income generated by investments held within the relevant fund

- The monthly dividend will be determined by a dedicated Committee overseeing the process
- Dividend levels are expected to be set on a quarterly basis (i.e. for the coming three months). However, they may be revised upward or downward at any time by the Committee if deemed necessary
- Dividend will be declared on the last business day of each month and paid within the following month

What affects the dividend level?

Amongst other things the dividend level factors in:

- Prior 12 months' gross income generated by the fund
- Expectation of future income generation
- Amount of capital used in the stabilisation process over the past 12 months
- Last month's declared dividend amount of the Shares, and the number of months since the most recent dividend payout change
- Ability of the fund to generate future gains to cover expenses plus any accumulated capital erosion

Comparison of Shares/Units

Shares/Units available in the BlackRock Global Funds (BGF) and BlackRock Premier Funds (BPF) ranges include non-distributing and various distributing shares/units. The key differences of the various types are set out below:

Share type	e.g.	Paid	Calculated	Calculation basis	Gross/Net of expenses	Stable distributing
Distributing (D)	BGF A1	Monthly	Daily	Income for the current day	Net/Gross*	No
Accumulating	BGF BPF A2	–	–	–	–	–
Distributing (M)	BGF BPF A3	Monthly	Monthly	Income for the preceding 1 month	Net/Gross*	No
Distributing (A)	BGF BPF A4	Annually	Annually	Income for the preceding 12 months	Net/Gross*	No
Distributing (Q)	BGF A5	Quarterly	Quarterly	Income for the preceding 3 months	Net/Gross*	No
Distributing (S)	BGF BPF A6	Monthly	Monthly	Determined by Committee (primarily based on income for the preceding 12 months plus capital for smoothing as needed)	Gross	Yes
Distributing (R)	BGF BPF A8	Monthly	Monthly	Determined by Committee (primarily based on income for the preceding 12 months and any net interest rate differential, plus capital for smoothing as needed)	Gross	Yes
Distributing (Y)	BGF A9	Quarterly	Quarterly	Determined by Committee (primarily based on expected gross income subject to a prescribed minimum yield per year)	Gross	No
Distributing (S)	BPF A9	Monthly	Monthly	Determined by Committee (may pay from income and capital, including net realised and unrealised capital gains)	Gross	Yes
Distributing (T)	BGF A10	Monthly	Monthly	Determined by Committee (primarily based on the long-term expected total return of the Fund in the relevant currency)	Gross	Yes

*Share classes distributing gross of expenses are referred as class 1(G), 3(G), 4(G) and 5(G) shares

What should investors be aware of?

- From time to time, in order to stabilise dividends the Shares may make distributions from capital, potentially for an extended period
- Dividends are based on income before (i.e. gross of) expenses. This may result in larger dividend payouts but reduce capital growth and increase the risk of capital losses
- Whilst the Shares aim to reduce variability in monthly dividends per share, there are no guarantee that they will be successful in doing so
- In certain jurisdictions, distributions of income gross of expenses may be considered a distribution from capital gains or invested capital, in others it may be considered a distribution from income. Payments from capital may be treated unfavorably for tax purposes compared to payments from income. Shareholders should seek their own professional tax advice
- The Shares are also referred to with the suffix "6" (e.g. Class A6)
- There is no intention for the offering of Shares to prompt a change in the way that a fund is managed

For more information

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