

6 September 2023

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## IMPORTANT INFORMATION

**This document is important and requires your immediate attention.**

**If you are unsure as to the contents of this document, please call the BlackRock Client Services Team on 0800 445522\* or +44 (0)207 743 5024\* if outside the UK, or consult your financial adviser.**

**Unless defined in this letter, capitalised terms in this letter shall have the same meaning as defined terms used in the prospectus of the BlackRock Absolute Funds dated 16 June 2023 (the “Prospectus”).**

Dear Sirs,

### **BlackRock Absolute Funds (the “Funds”)**

BlackRock continually reviews its fund ranges to ensure that they remain both relevant to and consistent with the current environment and expectations of our clients.

We have recently completed a review of the Funds with a view to considering how we can pass on further economies of scale to unitholders. We are writing to notify you of an update to the pricing structure of the Funds listed in Appendix 1 that will take effect on and from 6 October 2023 (the “**Effective Date**”).

### **Discounts to the Annual Management Charge (or “AMC”)**

On and from the Effective Date, the Manager will apply discounts to the AMC for the unit classes of the Funds listed in Appendix 1 when the NAV of the relevant Fund reaches a specified size.

In summary, this means that the AMC payable to the Manager will be charged at different rates across different tiers of the Fund’s overall NAV. The purpose is to pass on to unitholders some of the potential savings associated with the economies of scale which may be achieved when a Fund increases significantly in size.

The discounts to the AMC are applied in tiers with the rates determined by the proportion of the applicable Fund’s total NAV that falls within the ranges shown in in Appendix 1. This means that only the proportion of the Fund’s NAV that falls within each particular tier will receive the applicable discount for that tier.

A weighted average of the overall discount rate is calculated from these rates and applied to the AMC. Please refer to Appendix 2 of this letter showing a numerical example of the discounts to the AMC.

For the avoidance of doubt, as at the date of this letter, the NAV of each Fund has not reached the size at which discounts will be applied (as specified in Appendix 1). As such, no discount will be applied until the NAV of the relevant Fund reaches this level. Please also note, for any unit classes in the Funds which have an AMC of "nil", no discount will be applied to these unit classes.

Please note that a decline in a Fund's NAV could result in a reduction or removal of the discount applied. If a Fund's NAV declines to the "Nil" discount tier, no discount will be applied to the relevant Fund's unit classes.

### **Costs**

BlackRock will pay the costs of this letter, and any additional operational costs. Legal costs related to these changes will be incurred by the Funds.

### **Further information**

The changes described above will be reflected in updates we are making to the Prospectus and Key Investor Information Documents which will be available from the BlackRock website [www.blackrock.com](http://www.blackrock.com) on or around the Effective Date.

If, after reading this letter, you would like any further information then please speak to your financial adviser, email us at [enquiry@ukclientservices.blackrock.com](mailto:enquiry@ukclientservices.blackrock.com) or call our Client Services Team on 0800 445522\* or +44 (0)207 743 5024\* if outside the UK. Telephone lines are open from 8.30am to 5.30pm, UK time, Monday to Friday.

Yours faithfully,



Director

BlackRock Fund Managers Limited

\*For your protection, telephone calls are usually recorded.

## APPENDIX 1

### Fund ISINs and Discount Tables

Please note that we reserve the right to change the NAV ranges at which discounts apply or the discount applied for any given NAV tier. In the event of any such change, we will notify affected unitholders in writing in advance.

The current annual management charges (“**AMC**”) listed in this Appendix 1 are correct as of the date of this letter. The NAVs of each Fund listed in this Appendix 1 are correct as of 22<sup>nd</sup> August 2023.

#### **Part 1**

The discounts set out in the following table will apply to the unit classes listed in this Part 1.

Assets Under Management	Discount to the AMC
£0-1 billion	No discount
£1-3 billion	5% incremental discount
£3-5 billion	7% incremental discount
£5+ billion	8% incremental discount

Fund	ISIN	Unit Classes	Current AMC
BlackRock European Absolute Alpha Fund NAV £412mn	GB00B4Y62T40	Class P Accumulation	1.50%
	GB00B4Y62W78	Class D Accumulation	0.75%
BlackRock UK Absolute Alpha Fund NAV £126mn	GB00B06L9G55	Class A Accumulation	1.75%
	GB00B06L6861	Class A Income	1.75%
	GB00B11V7T69	Class P Accumulation	1.50%
	GB00B5ZLNQ990	Class D Accumulation	0.75%
	GB00BW0D7Q79	Class S Accumulation	0.67%
	GB00BW9Z0H63	Class S Income	0.67%

## **Part 2**

The discounts set out in the following table will apply to the unit classes listed in this Part 2.

<b>Assets Under Management</b>	<b>Discount to the AMC</b>
<b>£0-2.7 billion</b>	No discount
<b>£2.7-3 billion</b>	5% incremental discount
<b>£3-5 billion</b>	7% incremental discount
<b>£5+ billion</b>	8% incremental discount

<b>Fund</b>	<b>ISIN</b>	<b>Unit Classes</b>	<b>Current AMC</b>
BlackRock Absolute Return Bond Fund  NAV £1319mn	GB00B5LVV365	Class P Accumulation	1.00%
	GB00B618DS31	Class D Accumulation	0.50%

## APPENDIX 2

### Numerical example

The Fund has the following discount schedule:

Fund NAV From	Fund NAV To	Incremental Discount to the AMC (%)
£0	£1,000,000,000	Nil
£1,000,000,000	£3,000,000,000	5%
£3,000,000,000	£5,000,000,000	7%
£5,000,000,000	--	8%

The Fund currently has a NAV of £4,000,000,000 and 2 classes of units per the below:

	Class 1	Class 2	Total
NAV	£2,500,000,000	£1,500,000,000	£4,000,000,000
AMC (before discount)	1.00%	0.75%	

With a total NAV of £4,000,000,000 the Fund has:

- £1,000,000,000 where no discount is applied.
- £2,000,000,000 where a 5% incremental discount to the AMC (before discount) is applied.
- £1,000,000,000 where a 7% incremental discount to the AMC (before discount) is applied.

These classifications are shown in the below exhibit (see Column A).

Column A	Column B	Column C	Column D
Portion of NAV (£)	Portion of NAV (%)	Incremental Discount to the AMC (%)	Weighted Incremental Discount to the AMC (%) (Column C x Column B)
£1,000,000,000	25%	0%	0.00%
£2,000,000,000	50%	5%	2.50%
£1,000,000,000	25%	7%	1.75%
<b>Total weighted incremental discount to the AMC (%) (Sum of Column D):</b>			<b>4.25%</b>

The resultant discounted AMC and saving for each class is:

	Class 1	Class 2
AMC (before discount)	1.0000%	0.7500%
Saving (AMC x 0.0425)	0.0425%	0.0319%
<b>AMC (after discount)</b>	<b>0.9575%</b>	<b>0.7181%</b>

Please note that figures have been rounded to the nearest 0.0001% for the purposes of this worked example. In practice, any discounts applied to the AMC are calculated daily in line with the calculation of the AMC and the overall saving experienced will reflect the daily change in NAV of the Fund over the daily accrual period.

The Manager reserves the right to change the NAV ranges at which discounts apply or the discount applied for any given NAV tier. In the event of any such change, the Manager will notify unitholders in writing in advance.

Information about the discounts that apply are shown on our website, [www.blackrock.com](http://www.blackrock.com), where you can locate and select the relevant Fund from the list of funds. The discount information on our website will be updated periodically. Alternatively, this information can be obtained by contacting us with the details provided in this letter.