

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 Charities Funds dated 20 March 2023 (the “Prospectus”).**

Dear Sirs,

### **BlackRock Charities 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 Sub-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 Sub-Funds listed in Appendix 1 that will take effect on and from 6 October 2023 (the “**Effective Date**”).

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

On and from the Effective Date, the Manager will apply discounts to the AC for the Unit classes of the Sub-Funds listed in Appendix 1 when the net asset value of the relevant Sub-Fund reaches a specified size.

In summary, this means that the AC payable to the Manager will be charged at different rates across different tiers of the Sub-Fund’s overall net asset value. 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 Sub-Fund increases significantly in size.

The discounts to the AC are applied in tiers with the rates determined by the proportion of the applicable Sub-Fund’s total net asset value that falls within the ranges shown in Appendix 1. This means that only the proportion of the Sub-Fund’s net asset value 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 AC. Please refer to Appendix 2 of this letter showing a numerical example of the discounts to the AC.

For the avoidance of doubt, as at the date of this letter, the net asset value of each Sub-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 net asset value of the relevant Sub-Fund reaches this level. Please also note, for any Unit classes in the Sub-Funds which have an AC of "nil", no discount will be applied to these Unit classes.

Please note that a decline in a Sub-Fund's net asset value could result in a reduction or removal of the discount applied. If a Sub-Fund's net asset value declines to the "Nil" discount tier, no discount will be applied to the relevant Sub-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 Sub-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

### Sub-Fund ISINs and Discount Tables

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

The current Annual Charges (“AC”) listed in this Appendix 1 are correct as of the date of this letter. The net asset values (“NAV”) of each Sub-Fund listed in this Appendix 1 are correct as of 22<sup>nd</sup> August 2023.

The discounts set out in the following table will apply to the Classes listed in this Appendix 1.

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

Sub-Fund	ISIN	Unit Classes	Current AC
BlackRock Armed Forces Charities Growth & Income Fund  NAV £337mn	GB00BFK3M748	Class A Accumulation	0.40% per annum of the NAV of the Sub-Fund on assets under management up to £200 million and 0.35% per annum of the NAV of the Sub-Fund on the balance of AUM above £200 million.*
	GB00BFK3M854	Class A Income	0.40% per annum of the NAV of the Sub-Fund on assets under management up to £200 million and 0.35% per annum of the NAV of the Sub-Fund on the balance of AUM above £200 million.*
BlackRock Catholic Charities Growth & Income Fund  NAV £152mn	GB00BFK3M961	Class A Accumulation	0.50% per annum of the NAV of the Sub-Fund on assets under management up to £200 million and 0.45% per annum of the NAV of the Sub-Fund on the balance of assets under management above £200 million.*
	GB00BFK3MB87	Class A Income	0.50% per annum of the NAV of the Sub-Fund on assets under management up to £200 million and 0.45% per annum of the NAV of the Sub-Fund on the balance of assets under management above £200 million.*

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BlackRock Charities Growth & Income Fund NAV £171mn	GB00BFBFWJ18	Class A Accumulation	0.45% per annum of the NAV of the Sub-Fund on assets under management of up to £200 million and 0.40% per annum of the net asset value of the Sub-Fund on the balance of assets under management above £200 million.*
	GB00BFBFWH93	Class A Income	0.45% per annum of the NAV of the Sub-Fund on assets under management of up to £200 million and 0.40% per annum of the NAV of the Sub-Fund on the balance of assets under management above £200 million.*
	GB00BFK3MG33	Class C Accumulation	0.40%
	GB00BFK3MF26	Class C Income	0.40%
BlackRock Charities UK Bond Fund NAV £45mn	GB00BFBFWL30	Class A Accumulation	0.35%
	GB00BFBFWK23	Class A Income	0.35%
BlackRock Charities UK Equity ESG Fund NAV £15mn	GB00BFBFWQ84	Class A Accumulation	0.50%
	GB00BFBFWP77	Class A Income	0.50%
BlackRock Charities UK Equity Fund NAV £183mn	GB00BFBFWN53	Class A Accumulation	0.50%
	GB00BFBFWM47	Class A Income	0.50%

\* For the avoidance of doubt, discounts to the Annual Charge will be applied after the calculation of the charges described above for each Sub-Fund.

## APPENDIX 2

### Numerical example

The Sub-Fund has the following discount schedule:

Sub-Fund NAV From	Sub-Fund NAV To	Incremental Discount to the AC (%)
£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 Sub-Fund currently has a net asset value of £4,000,000,000 and 2 Classes of Units per the below:

	Class 1	Class 2	Total
Net asset value	£2,500,000,000	£1,500,000,000	£4,000,000,000
AC (before discount)	1.00%	0.75%	

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

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

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

<b>Column A</b>	<b>Column B</b>	<b>Column C</b>	<b>Column D</b>
<b>Portion of net asset value (£)</b>	<b>Portion of net asset value (%)</b>	<b>Incremental Discount to the AC (%)</b>	<b>Weighted Incremental Discount to the AC (%) (Column C x Column B)</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 AC (%) (Sum of Column D):</b>			<b>4.25%</b>

The resultant discounted AC and saving for each class is:

	<b>Class 1</b>	<b>Class 2</b>
AC (before discount)	1.0000%	0.7500%
Saving (AC x 0.0425)	0.0425%	0.0319%
<b>AC (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 AC are calculated daily in line with the calculation of the AC and the overall saving experienced will reflect the daily change in net asset value of the Sub-Fund over the daily accrual period.

The Manager reserves the right to change the net asset value ranges at which discounts apply or the discount applied for any given net asset value 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 Sub-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.