

BlackRock Advantage Hedged International Equity Fund

Product Disclosure Statement

ARSN 101 697 376
BlackRock Investment Management (Australia) Limited
ABN 13 006 165 975
Australian Financial Services Licence No 230523

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This product is **likely** to be appropriate for a consumer as a satellite allocation, seeking capital growth with a high to very high risk/return profile. This product is **unlikely** to be appropriate for a consumer with a short investment timeframe. **This product is for advised consumers only.**

About this PDS

This Product Disclosure Statement (**PDS**) is a summary of significant information and contains a number of references to important information (each of which forms part of this PDS) and persons should consider that information before making a decision about the Fund.

The information provided in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. You should therefore assess whether the information is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. This PDS is not an offer to any person or any place in which it is unlawful to make such an offer. Units in the Fund have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any of the states of the United States. The Fund is not and will not be registered as an investment company under the U.S. Investment Company Act of 1940. Investment in units of the Fund by or on behalf of U.S. persons is not permitted. Units in the Fund may not at any time be offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, a U.S. person. Any issue, sale or transfer in violation of this restriction will not be binding upon the Fund and may constitute a violation of U.S. law.

If any part of this PDS is established to be invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

The Responsible Entity can change any terms and conditions of the offer contained in this PDS at any time.

Client Services

Telephone: 1300 366 100
Facsimile: 1300 366 107
Email: clientservices.aus@blackrock.com
Website: www.blackrock.com/au

Responsible Entity

BlackRock Investment Management (Australia) Limited
Level 37, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Incorporation by Reference

The Corporations Act 2001 (Cth) (**Corporations Act**) allows us to provide certain information to you separately to this PDS. Where you see references to “Additional information incorporated by reference” additional information concerning the topic has been incorporated by reference and forms part of the PDS. This information can be found in the BlackRock Additional Fund Information No. 1 document, available at www.blackrock.com/au/individual/funds-information/offer-documents. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product. This information is available to you free of charge upon request in paper format by contacting Client Services.

Information subject to change

Information in this PDS, as well as the terms and features of the Fund, is subject to change from time to time. We will notify you of any material changes or other significant events that affect the information in this PDS in accordance with our obligations under the Corporations Act.

Updated information that is not materially adverse can be obtained from our website at www.blackrock.com/au. A paper copy of any updated information will be given, or an electronic copy made available, free of charge upon request.

Where the Fund is subject to the continuous disclosure requirements of the Corporations Act, we will satisfy our obligations by disclosing material information regarding the Fund on our website at www.blackrock.com/au. A paper copy of this material is available free of charge upon request.

Annual report

A copy of the audited annual financial report of the Fund is generally available by the end of September from us or upon request from your Investor Directed Portfolio Service (**IDPS**), superannuation fund or master trust operator. The audited annual financial report will be made available on our website at www.blackrock.com/au. You may also elect to receive a hard copy of the report by contacting Client Services on the telephone number shown on page 1.

Investing through an IDPS, superannuation fund or master trust

If you have invested through an IDPS, superannuation fund or master trust, you can use this PDS for information purposes; however, if you wish to make any change to your investment you should contact the operator of such service and complete their required documentation. The operator of such service may process unitholder transactions and requests in accordance with processes that are different to those set out in this document.

Target Market Determination

BlackRock has issued a target market determination (**TMD**) which, among other things, describes the class of consumers for whom this product is likely to be consistent with their likely objectives, financial situation and needs. A summary of the TMD for this product is on the cover page of this PDS.

BlackRock and its distributors must take reasonable steps to distribute this product to consumers described in the TMD.

The TMD for this product can be obtained by contacting Client Services and may be available on the BlackRock website at www.blackrock.com/au.

1. About BlackRock Investment Management (Australia) Limited

BlackRock Investment Management (Australia) Limited, ABN 13 006 165 975 (referred to in this PDS as **BlackRock, Responsible Entity, Manager, we, our or us**) is the responsible entity and the issuer of units in the BlackRock Advantage Hedged International Equity Fund (**Fund**).

BlackRock is a wholly owned subsidiary of BlackRock, Inc.[®] (**BlackRock Inc**) but is not guaranteed by BlackRock Inc, or any BlackRock Inc subsidiary or associated entity (**the BlackRock Group**). Neither BlackRock nor any member of the BlackRock Group guarantees the success of the Fund, the achievement of the investment objective, or the repayment of capital or particular rates of return on investment or capital. An investor in the Fund could lose all or a substantial part of their investment. In particular, the performance of the Fund will depend on the performance and market value of the assets held by the Fund. We reserve the right to outsource any or all investment, management and administration functions, including to related parties, without notice to investors.

2. How the BlackRock Advantage Hedged International Equity Fund works

2.1 The interests that members acquire

The Fund is structured as a unitised registered managed investment scheme. This means your money is pooled together with monies from other investors. This is used to buy investments that are managed on behalf of all investors in the Fund. When you invest in the Fund, you are allocated a number of units in the Fund, rather than directly receiving an interest in the assets of the Fund. Each of these units represents an equal share in the net assets of the Fund as a whole and are not related to any particular asset. As a result, each unit has a dollar value or “unit price”. The unit price will vary as the market value of assets in the Fund rises or falls. The number of units you receive is dependent on the amount of money you invest and the applicable unit price.

2.2 Minimum investment amounts

When investing in the Fund you generally need a minimum amount of \$50,000 or such other amount as we may determine from time to time. There is no minimum investment for subsequent applications. While there is no minimum redemption amount, we generally require a minimum balance in your Fund account of \$50,000.

2.3 How investors can increase or decrease their investment

Investors can increase or decrease their investment by acquiring units (refer to section 8.1 of this PDS titled “How to apply”) or redeeming all or part of their investment (refer to section 2.4 of this PDS titled “How to redeem your investment”).

2.4 How to redeem your investment

Redemption requests can be made in writing (either by post or facsimile). You will normally be able to redeem from the Fund on any Business Day, being a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney and New York. A list of public holidays affecting the Fund is available on our website at www.blackrock.com/au.

Investor transaction requests are required to be received by 3.00pm (Sydney time) on any Business Day (**Transaction Cut-off Time**). Transaction requests received before this time will generally be executed on the following Business Day (**Trade Date**). Investor transaction requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

Following receipt of a redemption request, we will deposit redemption proceeds into your nominated Australian bank account, generally within five Business Days of our having received the redemption request, although we are allowed longer periods under the Fund's constitution.

In some circumstances, such as when there is a freeze on withdrawals, investors may not be able to withdraw from the Fund within the usual period upon request.

2.5 Frequency of distributions and how they are calculated

If you hold units in the Fund at the close of business on the last day of a distribution period, you are entitled to participate in the distributable income of the Fund. Any income you receive from your investments will be in the form of distributions. Your entitlement to distributable income (if any) is based on how many units you held at the end of the distribution period as a proportion of the total number of units on issue in the Fund at that time. Your distribution may include interest, dividends, other income and realised gains. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected.

Distributions (if any) are generally determined at the end of June and December each year. Distributions (if any) are usually paid within 21 Business Days of the end of the distribution period.

Additional information incorporated by reference

You should read the important information about the acquisition and disposal of interests before making a decision.

Go to Section 2 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at www.blackrock.com/au/individual/funds-information/offer-documents.

This material may change between the time when you read this PDS and when you acquire the product.

3. Benefits of investing in the BlackRock Advantage Hedged International Equity Fund

BlackRock Expertise. The portfolio of stocks to which the Fund is exposed is managed by BlackRock's Systematic Active Equity team. The team consists of highly qualified and experienced portfolio managers, strategists and researchers located in the United States, Europe and Asia Pacific.

Diversification. In contrast to a direct investment in a single company, the Fund provides broad Australian dollar hedged exposure to the international developed stock market.

Proven Track Record. The Systematic Active Equity team uses a proven, risk-controlled systematic process that is constantly being improved, to maximise its potential to deliver competitive returns to investors.

Additional information incorporated by reference

You should read the important information about the other features and benefits of the Fund before making a decision.

Go to Section 3 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at www.blackrock.com/au/individual/funds-information/offer-documents.

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4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The value of investments will vary. The level of returns will vary, and future returns may differ from past returns. Returns are not guaranteed, and investors may lose some or all of their investment. The laws affecting registered managed investment schemes may also change in the future.

The appropriate level of risk for each investor will vary depending on a range of factors including age, investment time frames, where other parts of the investor's wealth is invested and the investor's risk tolerance.

4.1 Specific investments risks

The specific investment risks of investing in the Fund include:

Derivative risk. The Fund may be exposed to derivative securities. The use of derivatives exposes a fund to different risks as opposed to investing directly in a security. For example, derivatives can cause a fund to make greater gains or incur greater losses than the gains and losses of the underlying security in relation to which the derivative derives its value.

Derivative transactions may be subject to the risk that a counterparty to the transaction will wholly or partially fail to perform their contractual obligations under the arrangement (including failing to meet collateral requirements under the arrangement). Additionally, OTC markets are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that a fund has unrealised gains in such instruments or has deposited collateral with its counterparty that fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations. Derivative transactions may also expose a fund to a risk of potential illiquidity if the derivative instrument is difficult to purchase or sell.

The BlackRock Group attempts to minimise these risks by engaging in derivative transactions only with financial institutions that have substantial capital or that have provided a third-party guarantee or other credit enhancement.

ESG risk. The use of ESG criteria may affect the Fund's investment performance and, as such, the Fund may perform differently compared to similar funds that do not use such criteria.

Equity security risk. Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. Dividend payments from shares may also vary over time.

Foreign investment risk. Exposure to securities or derivative instruments issued in foreign markets may include certain risks associated with:

- differences in trading, settlement and clearing procedures that may restrict trading (as a result of suspensions or daily quotas), increase default or market operational risks or require securities to be held on a beneficial basis via a depositary nominee;
- currency risk, the risk that foreign currencies change in value relative to the Australian dollar, which may affect a fund's investment returns. These movements may either add to or subtract from performance;
- countries may be subject to considerable degrees of market volatility, economic, political and social instability, which may reduce or preclude the ability to trade security exposures or negatively affect a security's value; and
- differences in accounting, financial reporting, taxation, legal, regulatory, liquidity and pricing practices that are subject to change and if so may adversely affect a fund.

Underlying fund risk. The Fund may implement some or all of its investment strategy through an investment in underlying funds. The Fund and underlying funds are managed as separate entities, with separate investment objectives and investment strategies. No guarantee can be given that the underlying funds will meet their investment objective, continue to be managed according to their current investment strategy or be open to investments in the future. Changes to an underlying fund may be made without unitholder approval. Should an underlying fund change its investment objective or investment strategy, we will review such changes with consideration to the investment objective and strategy of the Fund. Further, if an underlying fund were to be suspended, closed or terminated for any reason, the Fund would be exposed to those changes.

4.2 General risks

Other risks more generally associated with investing in a fund include:

Conflicts of interest risk. Certain conflicts of interest may arise in the operation of a BlackRock Group fund. Fund structures may involve members of the BlackRock Group acting in more than one capacity, while BlackRock Group funds may hold over-the-counter derivative agreements where a member of the BlackRock Group is acting (in different capacities) on both sides of the agreement. BlackRock Group funds may be invested in by persons associated with BlackRock Group or by other funds and accounts managed by different members of the BlackRock Group. Investors in a fund may, in some instances, invest on different terms to each other, some of which may be more favourable than others. Each investor in a fund may act in a way which is adverse to the interests of other investors in that fund. Additionally, funds and accounts managed by different members of the BlackRock Group may act as a seed investor in a BlackRock Group fund, which may create a commercial opportunity for the BlackRock Group. For example, a seed investment may allow the BlackRock Group to establish a track record for a fund that can then be sold to other clients. Certain investment strategies of the BlackRock Group may conflict with each other and may affect the price and availability of securities in which to invest. Members of the BlackRock Group may also give advice or take action with respect to any of their clients, which may differ from the advice given or the timing or nature of any action taken with respect to the investments of other BlackRock Group funds or accounts.

While conflicts of interest may arise from time to time, the BlackRock Group has established policies and procedures in place to manage any such conflict, which includes ensuring transactions between BlackRock Group entities are conducted on an arm's length commercial basis.

Counterparty risk. Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the manager of a fund in relation to the sale and purchase of assets or securities. Such institutions may also be issuers of the securities in which a fund invests. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of a fund. While the BlackRock Group uses reasonable efforts to mitigate such risks, there can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the relevant fund.

Fund risk. The price of units in a fund and the income from them may go down as well as up. Investors may not get back their original investment. There can be no assurance that a fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. Capital return and income of a fund is based on the capital appreciation and income of the securities invested in, less expenses incurred. Fund returns may fluctuate in response to changes in such capital appreciation or income. The payment of distributions is at the discretion of the fund issuer, taking into account various factors and its own distribution policy. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. Investing in a fund may result in a different tax outcome than investing in securities directly. The application of tax laws and certain events occurring within a fund may result in you receiving some of your investment back as income in the form of a distribution. A fund will generally not be managed with consideration of the individual circumstances, including specific tax considerations, applicable to any single unitholder in the fund. Past performance is not indicative of future performance.

Individual investment risk. Individual securities held by a fund can and do fall in value for many reasons. Both price and levels of income are subject to fluctuation. Returns from individual securities will vary and price movements can be volatile.

Liquidity risk. The Fund may be exposed to securities with limited liquidity, which are in practice infrequently traded or for which typical daily volumes traded are small. It may not be possible to sell such securities when it is desirable to do so or to realise what the manager perceives to be their fair value in the event of a sale. The Fund may also be exposed to other funds that may, in certain circumstances, limit or suspend redemptions rights. The general level of market liquidity also varies and may deteriorate. Such a deterioration may negatively impact the ability to trade fund securities and may negatively affect the price at which a trade is executed. These circumstances could impair a fund's ability to make distributions to a redeeming unit holder in a timely manner and a fund may need to consider suspending redemptions. The BlackRock Group aims to reduce these risks by understanding the liquidity characteristics of securities a fund is exposed to and plans trading so as to minimise the adverse consequences of low liquidity.

Market risk. The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Fund and its investments.

Operational risk. The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third-party failures or crisis events. The BlackRock Group has procedures in place to manage these risks and, as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

Regulatory and business risk. Changes in corporate, taxation or other relevant laws, regulations or rules may adversely affect your investment. For example, such changes may adversely affect a fund's ability to execute certain investment strategies, which could have a material effect on performance.

5. How we invest your money

WARNING: Investors should consider the likely investment return, the risk, and their investment timeframe when choosing a fund in which to invest. This Fund only offers a single investment option.

The Fund aims to outperform the MSCI World ex-Australia Net TR Index (hedged in AUD) (**Benchmark**) by 2% p.a. over rolling 3-year periods (net of fees and before the cost of hedging), while maintaining a similar level of investment risk to the Benchmark.

Our investment style is based on our belief that people, leveraged by technology, are central to the consistent achievement of our clients' investment goals. A single, global investment philosophy unites all BlackRock systematic (quantitative) investment strategies. Knowledgeable investment people leveraging their skills through the extensive use of technology is a hallmark of our systematic investment approach.

We believe that a focus on total performance management is the best way to achieve superior investment results. Through total performance management, we aim to understand; measure; forecast; and manage the three dimensions of investment performance – return, risk and cost.

The Fund's research driven investment process utilises a combination of active stock selection strategies across international developed markets that aim for the best trade-off between returns, risk and costs. The investment ideas blend local investment insights, cross-border insights, macro-economic insights and short-term drivers of stock returns and are grouped into three broad areas:

- **Fundamentals.** Our disciplined approach to valuing each company focuses on buying stocks that are trading inexpensively relative to the intrinsic value of the business and also assesses earnings quality through a systematic and comprehensive analysis of reported financial statements and corporate activity that identifies companies which offer superior returns to shareholders, as well as those with a higher- than-average risk of disappointment;
- **Sentiment.** The behaviour and insight of other equity market participants, other companies and information from other financial markets can be a useful guide to expected share price performance. The activity and insight

of sell-side analysts, hedge funds, company management and the performance of linked companies can be used to assess which stocks will outperform. Fast moving reversal and sentiment insights can capture the impact of liquidity and flows on stock. Some of this sentiment is captured via sophisticated analysis of unstructured data such as text; and

- **Themes.** Based on stock exposures to economic and market trends, thematic and cross-border signals position the portfolio towards certain industries, styles, countries and markets. Exporter versus domestic baskets are traded against changing macro information (for example growth, currencies, rates and monetary policy).

Investment risk is managed by diversifying across many countries and currencies, and by holding the stocks of a large number of companies within each country.

In implementing its investment strategy, BlackRock constrains investments by avoiding issuers which generate revenue, or revenue beyond a certain threshold, in relation to business activities in given sectors, which have certain ESG characteristics. This process is known as screening.

These business activities include, but are not limited to:

- the production of controversial weapons (such as biological weapons and blinding laser weapons);
- direct involvement in the production of nuclear weapons or nuclear weapon components or delivery platforms, or the provision of auxiliary services related to nuclear weapons; and
- companies classified as manufacturers of cigarettes and other tobacco products according to the Global Industry Classification Standard (**GICS**) methodology.

A passive currency hedge is applied, which seeks to minimize the effect of currency fluctuations on returns by converting the currency exposure of the Benchmark back to Australian dollars. This type of hedging strategy involves the forward sale of a set of currencies in amounts that correspond to the beginning of period value of the international assets in the portfolio. The hedge is then reset periodically or as required, to account for any changes in the value of the international assets in the portfolio.

To achieve its investment objective the Fund invests in the BlackRock Advantage International Equity Fund (**Underlying Fund**), another fund managed by us that has the same (unhedged) investment strategy as the Fund. The Fund also invests in currency forward contracts, which are used to implement the passive currency hedge. The Underlying Fund gains exposure to the international developed market stocks that form the Benchmark.

Derivatives, such as futures, forwards and options can be used to manage risk and return. When derivative positions are established, they will always be backed by cash holdings and/or underlying assets. Derivative securities will not be used to gear the Fund or Underlying Fund.

The Fund and Underlying Fund may also hold a small allocation of cash (or cash equivalents that may include units in other BlackRock funds) for cash flow management purposes.

The Fund's investment strategy aims to remain fully exposed to the international developed stock market, with cash exposure being maintained to a minimum, which may be, where practicable, equitised using index futures.

While the constitution of the Fund allows the Responsible Entity to borrow, it is our intention that no borrowing arrangements will be entered into, other than temporary overdrafts, which may be used as a means of managing certain cash flows.

The Fund may be suitable for investors who are seeking capital growth. The minimum suggested timeframe for holding investments in the Fund is 5 years. From an investor's perspective, the Fund is considered high to very high risk.

Additional information incorporated by reference

You should read the important information about how we invest your money, including our ESG approach, before making a decision.

Go to Section 5 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at www.blackrock.com/au/individual/funds-information/offer-documents.

This material may change between the time when you read this PDS and when you acquire the product.

6. Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

6.1 Fees and costs summary

The following table shows fees and other costs that you may be charged. Unless otherwise indicated, fees are inclusive of Goods and Services Tax (GST), any applicable stamp duty and take into account expected reduced input tax credits in respect of the GST component of the fee.

Information in the fee table can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your account or deducted from investment returns.

BlackRock Advantage Hedged International Equity Fund

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs	0.53% p.a.	The Fund's management fee is 0.53% p.a. and is calculated in relation to the NAV of the Fund on a daily basis. This cost is deducted from the Fund's assets and is generally paid to us monthly in arrears. Management fees and costs include indirect costs of 0.00%. The Fund's management fee can be negotiated. Refer to section 6.5 of the "BlackRock Additional Fund Information No. 1" for further information.
Performance fees	Nil	The Fund does not charge a performance fee. Amounts deducted from your investment in relation to the performance of the product
Transaction costs	0.10% p.a.	Transaction costs that are not recovered from the buy-sell spread ('net transaction costs') reduce returns and are reflected in the Fund's unit price. The costs incurred by the Fund when buying or selling assets
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee	Nil	Not applicable The fee to open your investment
Contribution fee¹	Nil	Not applicable The fee on each amount contributed to your investment
Buy-sell spread	<i>Buy</i> 0.18% <i>Sell</i> 0.18%	Estimated transaction costs are allocated when an investor buys or sells units in the Fund by applying a buy-sell spread on the Fund's entry and exit unit prices, where appropriate.
Withdrawal fee¹	Nil	Not applicable The fee on each amount you take out of your investment

Type of fee or cost	Amount	How and when paid
Exit fee¹ The fee to close your investment	Nil	Not applicable
Switching fee The fee for changing investment options	Nil	Not applicable

1. This fee includes an amount payable to an adviser.

6.2 Example of annual fees and costs

The table below gives an example of how ongoing annual fees and costs in the Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example – BlackRock Advantage Hedged International Equity Fund		
Balance of \$50,000 with a contribution of \$5,000 during year		
Contribution Fees	Nil	For every additional \$5,000 you put in you will be charged \$0.
PLUS		
Management fees and costs	0.53%	And, for every \$50,000 you have in the Fund you will be charged or have deducted from your investment an estimated \$265 each year.
Performance fees	Nil	And, you will be charged or have deducted from your investment \$0 in performance fees each year
Transaction costs	0.10%	And, you will be charged or have deducted from your investment \$50 in transaction costs
EQUALS		
Cost of Fund	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees and costs of \$315. ¹	
	What it costs you will depend on the fees you negotiate.	

1. Additional fees may apply. A buy spread of 0.18%, equal to \$9.00 on a \$5,000 contribution, will also apply.

There is a calculator provided by ASIC on its MoneySmart website (www.moneysmart.gov.au) which can be used to calculate the effect of fees and costs on Fund account balances.

6.3 Additional explanation of fees and costs

Can the fees and charges change?

All fees can change. The current fees applicable to your investment are set out in this PDS and although we have the power to change our fee structure without your consent, we have no present intention to do so. Fees may vary over time due to changes to the Fund, changing economic conditions or changes in regulation. We will provide investors 30 days' notice of any proposed increase to our fees and charges.

Additional information incorporated by reference

You should read the important information about fees and costs before making a decision.

Go to Section 6 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at www.blackrock.com/au/individual/funds-information/offer-documents.

This material may change between the time when you read this PDS and when you acquire the product.

7. How managed investment schemes are taxed

WARNING: Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice.

Registered managed investment schemes generally do not pay tax on behalf of investors. However, BlackRock may be required to withhold tax from each distribution at the relevant withholding tax rates under certain circumstances. You will be assessed for tax on any income and capital gains attributed to you by the fund.

Additional information incorporated by reference

You should read the important information about taxation before making a decision.

Go to Section 7 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at www.blackrock.com/au/individual/funds-information/offer-documents.

This material may change between the time when you read this PDS and when you acquire the product.

8. How to apply

8.1 How to apply

To make your initial investment, complete and send to us (either by post or facsimile) the Fund's Application Form that accompanies this PDS or is available from our website at www.blackrock.com/au or by calling Client Services (refer to page 1 of this PDS for contact details). You will normally be able to invest in the Fund on any Business Day. A list of public holidays affecting the Fund is available on our website at www.blackrock.com/au. We have absolute discretion to accept, reject, or limit any application request.

If you choose to send us your completed Fund Application Form by facsimile, you will need to send us your original Fund Application Form for our records. Investor transaction requests are required to be received prior to the Transaction Cut-off Time. Transaction requests received before this time will generally be executed on the relevant Trade Date. Investor transaction requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

Your investment amount can either be deposited into the application bank account as shown on the Fund's Application Form or transferred via BPAY® (registered to BPAY Pty Ltd ABN 69 079 137 518). If you choose to deposit your investment amount in the application bank account, you must provide us with verification from your financial institution that the money has been banked.

Investment details are outlined in the Fund's Application Form.

In order for us to be able to process your investment, you must ensure that BlackRock receives cleared money by the relevant Trade Date. You may also need to complete an Investor Identification Form (which follows the Fund Application Form) for the purpose of Anti-Money Laundering and Counter-Terrorism Financing legislation. Refer to section 2.4 of this PDS titled "How to redeem your investment" for details of the Fund's Business Day, Transaction Cut-off Time and Trade Date.

8.2 Do you have "cooling off" rights?

If you are not otherwise a "wholesale client" or "professional investor" (as defined in the Corporations Act) you have a 14-day cooling off period in which to decide if the investment is right for you. The 14-day cooling off period starts when your initial investment in the Fund is confirmed or the end of the fifth business day after the day on which units in the Fund are first issued, whichever is earlier.

If you would like to exercise your cooling off right, you must submit your request to us in writing (including by facsimile) and specifically state that you are exercising your cooling off right. If we receive your request by the Transaction Cut-off Time, your refund will generally be executed on the relevant Trade Date. Cooling off requests received after this time or on

a day when the Fund is unavailable for transactions will generally be treated as having been received on the following Business Day. The amount of your refund will be reduced or increased for market movements in the Fund as well as any applicable transaction costs and less any non-refundable tax or duty paid or payable. Accordingly, depending upon the circumstances, the amount returned to you may be greater or less than the amount initially invested.

Refer to section 2.4 of this PDS titled "How to redeem your investment" for details of the Fund's Business Day, Transaction Cut-off Time and Trade Date.

8.3 Enquiries and complaints

If you have an enquiry or complaint, you can contact our Complaints Officer via Client Services (refer to page 1 of this PDS for contact details). We have established procedures for dealing with enquiries and complaints. If you make a complaint to us, the complaint will be acknowledged and steps will be taken to investigate your concerns. A final response will be provided within 30 calendar days in accordance with our obligations.

BlackRock is a member of the Australian Financial Complaints Authority (AFCA), an independent complaint resolution body. If your complaint is not addressed within 30 calendar days from the date it was received, or you are not satisfied with our response, you may refer your complaint to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA can be contacted by:

- Telephone: 1800 931 678 (free call)
- Mail: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne VIC 3001
- Email: info@afca.org.au
- Website: www.afca.org.au

For the hearing and speech impaired, AFCA can be contacted via National Relay Service (www.relayservice.com.au):

- Voice Relay: 1300 555 727
- TTY: 133 677
- SMS Relay: 0423 677 767

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