

BlackRock Premier Funds – BlackRock China A-Shares Fund

April 2022

**This statement provides you with key information about this product.
This statement is a part of the Prospectus.
You should not invest in this product based on this statement alone.**

- This fund uses the qualified foreign institutional investor (“**QFII**”) regime, the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively the “**Stock Connects**”) to invest primarily in the PRC A-Shares market.
- When using QFII this fund will remit U.S. Dollars (“**USD**”) into the PRC and then convert into Renminbi (“**RMB**”) to invest in the PRC A-Shares market.
- This fund is not denominated in RMB. All subscriptions and redemptions are in USD or other major currencies (other than RMB). This fund involves multi-currency conversions and is therefore subject to risk of higher costs and other multi-currency conversion risks.

Quick facts

Manager and QFII holder:	BlackRock Asset Management North Asia Limited
Trustee:	Cititrust Limited
Custodian:	Citibank N.A., Hong Kong Branch
Ongoing charges over a year[#]:	Class A2: 1.62%
QFII Custodian:	Citibank (China) Co., Ltd.
Base currency:	USD
Dividend policy:	No dividends will be declared or paid
Financial year end of this fund:	30 September
Minimum investment:	Class A Units: initial – USD5,000 or currency equivalent; additional – USD1,000 or currency equivalent
Dealing frequency:	Daily

[#] The ongoing charges figure for a class is based on the costs and expenses of that class with reference to the annual report of the fund for the year ended 30 September 2021. This figure may vary from year to year.

What is this product?

This fund is a sub-fund of BlackRock Premier Funds, an umbrella unit trust established under the laws of Hong Kong. This fund is denominated in USD, not RMB. This fund will invest at least 70% of its net asset value in RMB-denominated A-Shares of companies listed in the PRC securities markets directly via the QFII status of the Manager for the account of the fund or via the Stock Connects.

Objective and Investment Strategy

Objective

To achieve long-term capital growth by primarily investing in equity securities of companies listed in the PRC.

Strategy

To the extent permitted by the applicable regulations and investment restrictions, this fund seeks to achieve the investment objective by investing at least 70% of its net asset value in A-Shares of companies listed in the PRC securities markets, currently Shanghai Stock Exchange and Shenzhen Stock Exchange, directly via the QFII status of the Manager for the account of the fund or via the Stock Connects. The fund may invest up to 100% of its net asset value in A-Shares via the Stock Connects (including stocks listed on the ChiNext Board of the Shenzhen Stock Exchange and/or the Science and Technology Innovation Board (“**STAR Board**”) of the Shanghai Stock Exchange).

This fund may invest up to 30% of its net asset value, in aggregate, in other securities exercising the predominant part of their economic activity in the PRC and/or other types of investments in or outside of the PRC. The foregoing investments may include H-Shares and P-Chips which are listed in The Stock Exchange of Hong Kong. Currently, this fund invests with no prescribed industry sector or market capitalisation limits.

This fund may invest in instruments denominated in currencies other than RMB. It is not intended that this fund will invest in fixed income securities. However, up to 10% of the net asset value of the fund may be held in fixed income securities (such as convertible bonds) in the event that they are received or subscribed by the fund as a result of corporate actions of its underlying investments. The Manager will determine whether to dispose of such fixed income securities, or to continue to hold them, depending on market conditions and having regard to the investment objective and policy of the fund.

Up to 30% of the net asset value of this fund may be held in various forms of liquid investments including cash deposits and money market instruments.

The fund may invest, in aggregate, not more than 10% of its net asset value in units or shares of other underlying collective investment schemes.

The fund may invest less than 30% of its net asset value in other A-Shares access instruments such as participatory notes to gain indirect exposure to A-Shares. The fund may also invest in A-Shares indirectly through financial derivative instruments, subject to the limit that the fund's net derivative exposure may be up to 50% of the fund's latest net asset value.

Subject to the applicable investment restrictions, this fund may also utilize financial derivative instruments for hedging, cash management and/or investment purposes.

This fund will not enter into any securities financing transactions. Prior approval from the SFC will be sought and at least one month's prior notice will be given to unitholders in the event the Manager intends to engage in such activities.

This fund will not invest in commodities or make any short sales.

Use of derivatives / investment in derivatives

The fund's net derivative exposure may be up to 50% of the fund's latest net asset value.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

1. Investment Risks

This fund is an investment fund. The values of equities fluctuate daily and the fund's investment portfolio may fall in value, therefore your investment in this fund may suffer losses. The price of equities

can be influenced by many factors at the individual company level, as well as by broader economic and political developments.

2. Risks associated with investing in the PRC market

Investing in the securities market in the PRC is subject to the risks not typically associated with investment in developed markets including risks of nationalization or expropriation of assets, government control and intervention, regulatory risk, legal risk and accounting risk, settlement risk and the following risks.

- Change in political, social or economic policy risk – The investment will be sensitive to any significant change in political, social or economic policy in the PRC which may adversely affect the capital growth and thus the fund performance.
- Liquidity and volatility risk – Compared with the choice available in other markets, there is a low level of liquidity in the A-Shares of the PRC markets. This could potentially lead to severe price volatility.
- Currency and exchange risk – The PRC government's control of currency conversion and movements in exchange rates may adversely affect the operations and financial results of the companies invested in by this fund. There can be no assurance that the RMB will not be subject to devaluation. Any devaluation of the RMB could adversely affect the value of investor's investments in this fund.
- PRC tax risk – There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via the QFII regime or the Stock Connects on the fund's investments in the PRC (which may have retrospective effect). Any increased tax liabilities on the fund may adversely affect the fund's value. Pursuant to Caishui [2014] No. 79 ("Circular 79") and based on professional tax advice, the fund no longer provisions for capital gains, realised or unrealised, arising from transfers of its A-Share investments from 17 November 2014 onwards. The tax on gains realised prior to 17 November 2014 has been settled and a true-up adjustment has been made to the net asset value of the fund. Any changes in PRC tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the PRC tax authorities of capital gains tax may result in a material loss to the fund. The PRC authorities may also remove or modify the "temporary" exemption provided by Circular 79, or the "temporary" tax exemptions under Caishui [2014] No. 81 (Circular 81) or Caishui [2016] No. 127 (Circular 127) in respect of A-Share investments through the Stock Connects, if any, with or without notice, and if so, the PRC tax authorities may seek to collect tax on capital gains realised in the fund's PRC investments and the resultant tax liability would be eventually borne by investors. As with any net asset value adjustment, investors may be advantaged or disadvantaged depending upon when the investors purchased/subscribed and/or sold/redeemed the units of the fund.

3. Risks applicable to investing via the Stock Connects

The fund may invest in A-Shares through the Stock Connects and thus is subject to the following risks:

- The current regulations are untested and subject to change which may have potential retrospective effects. There can be no assurance that the Stock Connects will not be abolished.
- The Stock Connects are subject to quota limitations which may restrict the fund's ability to invest in A-Shares through the Stock Connects on a timely basis.
- Where a suspension in the trading through the Stock Connects is effected, the fund's ability to access the PRC market via the Stock Connects will be adversely affected. In such event, the fund's ability to achieve its investment objective could be negatively affected.
- Due to the differences in trading days, there may be occasions when it is a normal trading day

for the PRC market but the fund cannot carry out any A-Shares trading via the Stock Connects. The fund may be subject to a risk of price fluctuations in A-Shares during the time when any of the Stock Connects is not trading as a result.

- The Stock Connects are premised on the functioning of the operational systems of the relevant market participants may be subject to operational risk. If the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The fund's ability to access the A-Share market via the Stock Connects (and hence to pursue its investment strategy) will be adversely affected.
- PRC regulations impose certain restrictions on selling and hence the fund may not be able to dispose of holdings of A-Shares via the Stock Connects in a timely manner.
- When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, this may affect the investment portfolio or strategies of the fund.
- Trading in securities through the Stock Connects may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities/make payment, the fund may suffer delays in the recovery process or may not fully recover its losses.

4. Risks associated with ChiNext Board and/or STAR Board

The fund may from time to time invest in the ChiNext Board of the Shenzhen Stock Exchange and/or the STAR Board of the Shanghai Stock Exchange. Such investments are subject to heightened risk, including:

- Higher fluctuation on stock prices - Companies listed on ChiNext Board and/or STAR Board are usually of an emerging nature with smaller operating scale. Listed companies on ChiNext Board and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards may be subject to higher price fluctuation and lower liquidity and have higher risks and turnover ratios than companies listed on the main board.
- Over-valuation risk - Stocks listed on ChiNext Board and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- Differences in regulations - The rules and regulations regarding companies listed on the ChiNext Board and STAR Board are less stringent in terms of profitability and share capital than those in the main boards.
- Delisting risk - It may be more common and faster for companies listed on ChiNext Board and/or STAR Board to delist. ChiNext Board and STAR Board have stricter criteria for delisting compared to the main boards. This may have an adverse impact on the fund if the companies that it invests in are delisted.
- Concentration risk (applicable to STAR Board) - STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the fund to higher concentration risk.

Investments in the ChiNext Board and/or STAR Board may result in significant losses for the fund and its investors.

5. Concentration Risk

This fund may invest substantially in the equities in the PRC and is likely to be more volatile than a broad-based fund.

6. Currency Risk

A majority of the fund's assets will be invested into investments denominated in RMB, which is different from the base currency of the fund, being USD. As a result, this fund is exposed to higher transaction costs associated with currency conversion (i.e. from USD subscription monies to RMB for this fund to invest in RMB-denominated investments and from RMB sale proceeds (after this fund has disposed of the RMB-denominated investments) to USD to meet redemption requests as and when necessary.

RMB is currently not a freely convertible currency and is subject to exchange controls and restrictions. This fund may be subject to higher transaction costs associated with currency conversion.

In addition, there can be no assurance that RMB will not be subject to devaluation or revaluation. These may expose this fund to exchange rate fluctuations and currency risk.

7. QFII Risks

- Risks associated with QFIIs rules and restrictions – This fund is subject to rules and restrictions under current QFII regulations including rules on remittance of principal, investment restrictions, and repatriation of principal and profits. The uncertainty and change of the PRC laws and regulations and QFII regulations (which may have retrospective effect) may adversely impact this fund.
- Risks regarding QFII licence – The Manager's QFII licence may be revoked or terminated or otherwise invalidated at any time by reason of a change in applicable law, regulations, policy, practice or other circumstances, an act or omission of the Manager or for any other reasons. In such event, this fund may be required to dispose of its securities holdings.

The rules and restrictions under QFII regulations generally apply to the Manager as a whole and not simply to the investments made by this fund, and therefore the fund may be affected by investment activities of other investors who also invest through the QFII status of the Manager. The PRC regulators are vested with the power to impose regulatory sanctions if the Manager or the QFII Custodian violates any provision of the QFII regulations. Any violations could result in regulatory sanctions in respect of the Manager as a whole and may adversely impact on the investment made by this fund.

- Risks regarding remittance and repatriation of funds – In cases where repatriation of funds from the PRC is restricted, this fund could be adversely affected by the restrictions on or the delays in the repatriation of funds. This fund may be exposed to potential loss from any restriction or delay in the Manager's ability to convert USD from RMB and/or to repatriate funds from the PRC. In such cases, payment of the redemption proceeds may be delayed and the redemption proceeds will be paid to unitholders as soon as practicable, and, under normal circumstances, within four business days after receipt of the relevant sum by the Trustee upon completion of the relevant repatriation process. This may have impact on this fund's ability to meet the redemption requests of its unitholders.
- Custodial risk – Where this fund invests in the PRC securities markets through the Manager's QFII status, such securities will be maintained by the QFII Custodian appointed by the Manager pursuant to the QFII regulations through securities accounts in such name as may be permitted or required in accordance with PRC law and the fund may be subject to custodial risk.

If the QFII Custodian defaults, this fund may suffer substantial losses. The assets held in the securities accounts belong solely to this fund, and are segregated from the assets of the Manager, the QFII Custodian, the PRC brokers, and their respective clients. The assets held in the cash accounts become an unsecured debt owing from the QFII Custodian to this fund, but are segregated from the assets of the Manager and the PRC brokers, and their respective clients.

If any of the Manager or the PRC brokers is liquidated, the assets (including cash) which belong

to this fund do not form part of the liquidation assets of the Manager or the PRC brokers in liquidation in the PRC. If the QFII Custodian is liquidated, the assets held in the securities accounts will not form part of the liquidation assets of the QFII Custodian in liquidation in the PRC, however, the assets held in the cash accounts will form part of the liquidation assets of the QFII Custodian in liquidation in the PRC and this fund will become an unsecured creditor for the amount deposited in the cash accounts.

This fund may also incur losses due to a default, act or omission of the QFII Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

- **Brokerage risk** – There is a risk that this fund may suffer losses, whether direct or consequential, from the default or bankruptcy of the PRC broker(s) or disqualification of the same from acting as a broker which may prevent this fund from executing further securities transactions through such PRC broker(s). This may adversely affect this fund in the execution or settlement of any transaction or in the transfer of any funds or securities.

8. Limitation on redemption

The total number of units redeemed on any dealing day will be limited to 10% of the total number of units in issue. Redemption requests may therefore be deferred and as a result, the payment of redemption proceeds may be delayed. Redemption proceeds will be paid to unitholders as soon as practicable, and, under normal circumstances, within four business days after receipt of the relevant sum by the Trustee upon completion of the relevant repatriation process.

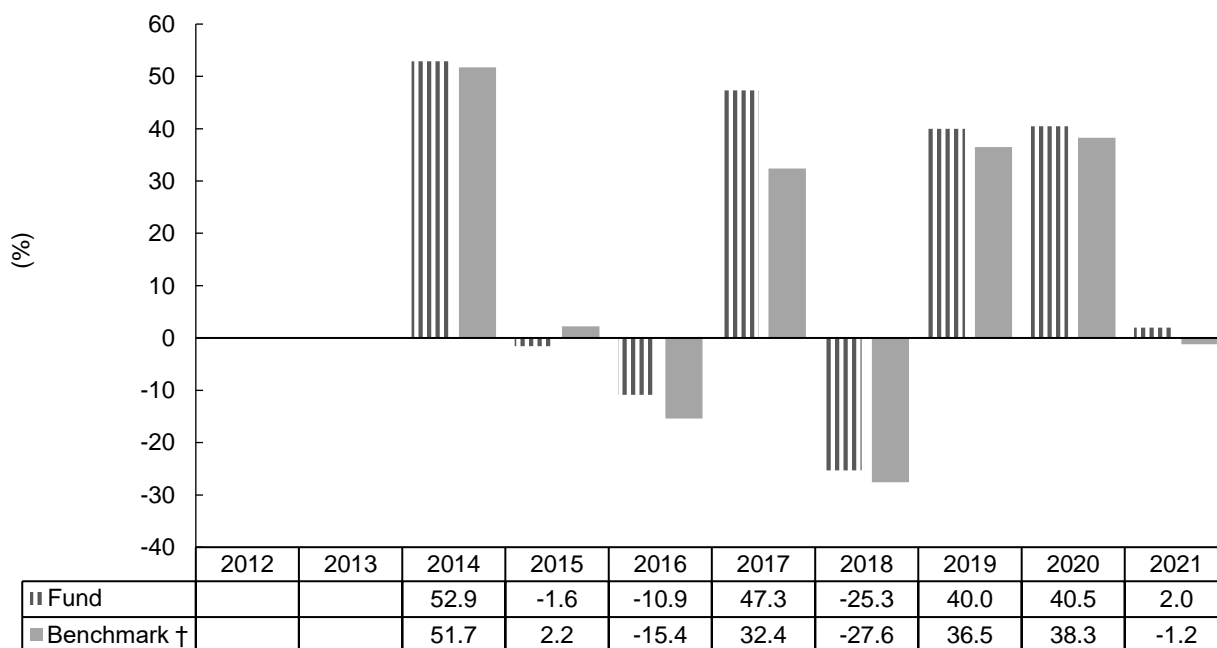
9. Derivatives Risks

Risks associated with derivatives include counterparty risk, insolvency risk, liquidity risk, valuation risk, volatility risk, over-the-counter transaction risks and hedging risk. Such exposure may lead to a high risk of significant loss.

In adverse situations, the fund's use of derivatives may be ineffective in hedging, cash management and/or investment purposes and this fund may suffer significant losses.

How has the fund performed?

Historic performance to 31 December 2021



||| During this period the performance of the fund was achieved under circumstances that no longer apply. The fund changed its investment policy in 2021.

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend re-invested.
- These figures show by how much the Class A2 increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 22 August 2013
- Class A2 launch date: 22 August 2013
- The Manager views Class A2, being the focus unit class of the fund available to the public of Hong Kong, as the most appropriate representative unit class.

† CSI 300 Net TR in USD.

Is there any guarantee?

The Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the fund.

Fee	What you pay
Subscription Fee (Initial Charge)	Class A Units: Up to 5% of the issue price.
Switching Fee (Conversion Charge)	Nil [^]
Redemption Fee (Redemption Charge)	Nil [^]

[^] A 2% charge of (i) the net asset value per unit of the Fund on conversion or (ii) the redemption price of units on redemption may be levied for excessive conversion / trading by a unitholder. Please refer to the section "Fees, Charges and Expenses payable by the Unitholders – Excessive Trading or Excessive Conversion charges" in the Prospectus for detail.

Ongoing fees payable by the Fund

The following expenses will be paid out of the fund. They affect you because they reduce the return you get on your investments.

Fee	Annual Rate (as a % of the fund's net asset value)
Management Fee	Class A Units: Up to 2%, currently 1.5%*
Administration Fee	Class A Units: Up to 0.50%
Trustee Fee and Custodian Fee	Included in the Administration Fee
Performance Fee	Not applicable

* May be increased to the permitted maximum level in the Prospectus by giving not less than 1 month's prior notice.

Other fees

You may have to pay other fees when dealing in the units of the fund. Please refer to the Prospectus for detail.

Additional Information

- ▶ You generally buy and redeem units at the fund's next-determined net asset value after the Trustee receives your request in good order on or before the 6.00 p.m. dealing cut-off (Hong Kong time) on the business day before the relevant dealing day. Orders placed through intermediaries may be subject to different procedures and cut-off times.
- ▶ The net asset value per unit of the fund is calculated and is available on the Manager's website at www.blackrock.com/hk on each dealing day.
- ▶ Please refer to the Manager's website at www.blackrock.com/hk for performance information regarding other classes (when available). Investors may also obtain information on this fund from the Manager's website at www.blackrock.com/hk. Investors should note that the Manager's website has not been reviewed by the SFC.
- ▶ The Prospectus and this statement will be updated to include the classes of units currently available for subscription from time to time.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.