

### BlackRock Global Funds – China Innovation Fund

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BlackRock Asset Management North Asia Limited 貝萊德資產管理北亞有限公司

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

- This Fund invest in the People's Republic of China ("PRC") via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively, the "Stock Connects").
- This Fund is denominated in USD and not Renminbi ("RMB"). The Fund involves currency conversions and is therefore subject to higher costs and currency conversion risks.

### Quick facts

<b>Management Company:</b>	BlackRock (Luxembourg) S.A.		
<b>Investment Adviser(s) and/or Sub-Adviser(s):</b>	Internal delegation to one or more Investment Adviser(s) and/or Sub-Adviser(s) as described in "The Investment Advisers and Sub-Advisers" section of the Information For Residents of Hong Kong*		
	* Details of the relevant Investment Adviser(s) and Sub-Adviser(s) responsible for the Fund will be listed in the interim report and annual report and will be available from the Hong Kong Representative upon request.		
<b>Depository:</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch		
<b>Ongoing charges over a year:</b>	Class A2	RMB Hedged	1.82%
	Class A2	USD	1.82%
	Class D2	EUR	1.00%
	Class D2	RMB Hedged	1.00%
	Class D2	USD	1.00%
	Since the Fund is newly set up, the ongoing charges figure is an estimate only. The ongoing charges figure represents the Management Company's best estimate of the ongoing charges based on the estimated costs and expenses for a 12-month period.		
	The figure may vary from year to year.		
<b>Dealing frequency:</b>	Daily	<b>Financial year end:</b>	31 August
<b>Base currency:</b>	USD		
<b>Dividend policy:</b> (Class A and D as at the above date)	Non-Distributing Shares: No dividends will be declared or paid <div>▶ A2, D2</div> Distributing Shares: Dividends, if declared will be paid in cash or reinvested <div>▶ Not Available</div>		
<b>Minimum investment:</b>	US\$5,000 initial, US\$1,000 additional for Class A Shares		

	US\$100,000 initial, US\$1,000 additional for Class D Shares
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## What is this product?

China Innovation Fund (the “**Fund**”) is a sub-fund of BlackRock Global Funds (“**BGF**”), an open-ended investment company incorporated in Luxembourg. Its home regulator is the Commission de Surveillance du Secteur Financier (CSSF).

## Objectives and Investment Strategy

The Fund seeks to achieve long-term capital growth. The Fund invests at least 70% of its total assets in a portfolio of equity securities or equity-related securities (including derivatives) of, or giving exposure to companies domiciled in, or exercising the predominant part of their activity in, or from, Greater China and whose goods and services are contributing to Greater China’s competitive advantage through technology innovation, with a focus on companies that generate revenues from innovative technologies such as artificial intelligence, computing, automation, robotics, technological analytics, e-commerce, payment systems, electric and autonomous vehicles, communications technology and generative design. Greater China refers to the PRC and the Republic of China (Taiwan).

In normal market conditions the Fund will invest in a portfolio of equity securities of companies with large, medium and small market capitalisation. In selecting investments and optimizing asset allocation, the companies are rated by the Investment Adviser based on their ability to manage the risks and opportunities associated with Greater China innovation and their environmental, sustainable and governance (“**ESG**”) risk and opportunity credentials, such as their leadership and governance framework, which is considered essential for sustainable growth, their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on a company’s financials.

In relation to the Fund’s investments in securities of developed market issuers (i.e. outside of the Fund’s primary investments in Greater China) and emerging market issuers (including the PRC and Taiwan), more than 90% of these developed market issuers and more than 75% of these emerging market issuers are ESG rated or have been analysed for ESG purposes.

The Fund will apply the BlackRock EMEA Baseline Screens.

The assessment of the level of engagement in the activity of the companies (in relation to the Greater China innovation theme and BlackRock EMEA Baseline Screens) may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity (in relation to the BlackRock EMEA Baseline Screens) regardless of the amount of revenue received.

The Fund may invest directly up to 100% of its total assets in the PRC by investing via the Stock Connects.

Subject to applicable regulatory restrictions and internal guidelines, the remaining 30% of the Fund’s total asset may be invested in financial instruments of companies or issuers of any size in any sector of the economy globally such as equity securities consistent with the Fund’s objective and cash.

The Fund’s expected total maximum investment in debt instruments with loss-absorption features, including but not limited to contingent convertible bonds, will be less than 30% of its net asset value. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). The Fund’s exposure to contingent convertible bonds is limited to 5% of its total assets.

The Fund may use derivatives for hedging, efficient portfolio management and investment purposes.

## Use of Derivatives/Investment in Derivatives

The Fund’s net derivative exposure may be up to 50% of the Fund’s net asset value.

## What are the key risks?

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

### 1. Investment Risks

The Fund is an investment fund. The Fund's investment portfolio may fall in value due to any of the risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.

### 2. Equity Market Risks

The values of equities fluctuate daily and the Fund investing in equities is subject to general market risks and could incur significant 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, including changes in investment sentiment, trends in economic growth, inflation and interest rates, issuer-specific factors, corporate earnings reports, demographic trends and catastrophic events.

### 3. Risks associated with Investments in the PRC Market

- *Risk associated with high volatility of the equity market in PRC:* High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Fund.
- *Risk associated with regulatory requirements/exchange policies of the equity market in PRC:* Securities exchanges in PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Fund.
- *Risks associated with the Stock Connects:* The relevant rules and regulations on the Stock Connects are subject to change which may have potential retrospective effect. The Stock Connects are subject to quota limitations. Where a suspension in the trading through the programmes are effected, the Fund's ability to invest in China A-Shares or access the PRC market through the programmes will be adversely affected. In such event, the Fund's ability to achieve its investment objective could be negatively affected.
- *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 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.

Based on professional and independent tax advice, the Fund will not make tax provisions for capital gains, realised or unrealised, arising from transfers of its China A-Share investment.

### 4. Concentration Risks

The Fund's investments are concentrated in the Greater China and companies associated with technology innovation. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, sustainability related, legal or regulatory event affecting the Greater China market.

### 5. Risks associated with the Technology Sector

The Fund's investments in companies that drive or benefit from technology innovation are likely to be affected by world-wide rapid technological developments as well as regulatory development in the sector. The products or services of such companies may rapidly fall into obsolescence (or may be dependent on technologies which rapidly fall into obsolescence) and so the value of the securities of these companies be negatively impacted as a result.

Companies that generate revenues from technology innovation are heavily dependent on patent and intellectual property rights and/or licences, the loss or impairment of which may adversely affect profitability. Companies in this sector may face dramatic and often unpredictable changes in growth rates and competition among the companies themselves and for the services of qualified personnel. Also, such companies are subject to cyber security risks which may cause issues like system breakdown, suspension of offering of products or services, loss or misuse of corporate or personal data, etc., and result in undesirable legal, financial, operational and reputational consequences. All of these may have an adverse impact on the value of the Fund's investments.

## **6. Emerging Market Risks**

Investment in emerging markets may be subject to a higher than average volatility than more developed markets due to greater political, tax, sustainability related, economic, social, currency control and foreign exchange risks.

The size and trading volume of securities markets in emerging markets may be substantially smaller than developed markets. This may subject the Fund to higher liquidity and volatility risks.

Custody and registration of assets in emerging markets may be less reliable than in developed markets, which may subject the Fund to higher settlement risk.

The Fund may be subject to higher regulatory risks due to low level of regulation, enforcement of regulations and monitoring of investors' activities in emerging markets.

## **7. Small/Mid Cap Companies Risks**

Many small/mid cap company stocks trade less frequently and in smaller volume, and may be subject to more abrupt or erratic price movements than stocks of large companies. The securities of small/mid cap companies may also be more sensitive to market changes than the securities of large companies.

## **8. Currency Risks**

The Fund may invest in assets denominated in a currency (e.g. RMB) other than the base currency of the Fund (i.e. USD). Also, a class of shares may be designated in a currency other than the base currency of the Fund. Changes in exchange rates between such currency and the base currency and changes in exchange rate controls may adversely affect the value of the Fund's assets.

## **9. Derivatives Risks**

Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the derivative by the Fund. In an adverse situation, if the use of derivatives for hedging and efficient portfolio management becomes ineffective, the Fund may suffer significant losses.

## **10. Risks relating to RMB Currency and Its Conversion**

RMB is currently not freely convertible and is subject to exchange controls and restrictions. Subscriptions and redemptions for the Fund may involve conversion of currency. Currency conversion will be conducted at the applicable exchange rate and subject to the applicable spread.

Non-RMB based investors who invest in RMB denominated share classes are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' home currency will not depreciate. Any depreciation of RMB could adversely affect the value of investors' investment in the RMB denominated share classes.

Under exceptional circumstances, payment of realisation proceeds and/or dividend payment (if any) in RMB and from the underlying investments to the Fund in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

RMB is traded in both the onshore and offshore markets. While both onshore RMB (“**CNY**”) and offshore RMB (“**CNH**”) represent the same currency, they are traded in different and separate markets which operate independently. Therefore, CNY and CNH do not necessarily have the same exchange rate and their movement may not be in the same direction. When converting the base currency of the Fund to RMB for the purposes of calculating the net asset value of a share class with a RMB reference currency, the Management Company will apply the CNH rate. Any divergence between CNH and CNY may adversely impact investors.

## 11. Liquidity Risks

The size and trading volume of securities in the markets relevant to the Fund may be substantially smaller than developed markets. This may lead to investments in such securities becoming less liquid, making it difficult to dispose of them which may reduce the Fund’s returns/lead to losses for investors.

## How has the fund performed?

There is insufficient data to provide useful indication of past performance to investors as the Fund is newly established for less than a full calendar year.

## Is there any guarantee?

This 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 shares of the Fund:

Fee	What you pay
<b>Subscription Fee (Initial Charge)</b>	Class A and Class D Shares: up to 5% of the price of shares
<b>Switching Fee (Conversion Charge)</b>	Nil <sup>^</sup> , except a delayed Initial Charge of up to 5% of the price of Class A or Class D Shares may be payable upon switching newly acquired Shares in a Reserve Fund into this Fund
<b>Redemption Fee</b>	Nil <sup>^</sup>
<b>Contingent Deferred Sales Charge</b>	Class A and Class D Shares: Nil

<sup>^</sup> A 2% charge on redemptions/conversions may be levied where excessive trading by a shareholder is suspected.

### Ongoing fees payable by the Fund

The following expenses paid by the Fund affect you because they reduce the return on your investments:

Fee	Annual rate
<b>Management Fee</b>	1.50% of the net asset value of the relevant Class A Shares* 0.68% of the net asset value of the relevant Class D Shares*
<b>Depository Fees<sup>#</sup></b>	Safekeeping fees: 0.0024% to 0.45% of the value of the securities Transactional fees: US\$5.5 to US\$124 per transaction
<b>Performance Fee</b>	Nil
<b>Annual Service Charge</b>	Up to 0.25% of the net asset value of the relevant share class*
<b>Distribution Fee</b>	Class A and Class D Shares: Nil

\* May be increased to a combined 2.25% maximum upon giving three months’ prior notice to shareholders

<sup>#</sup> Subject to change without prior notice

### Other fees

You may have to pay other fees and charges when dealing in the shares of the Fund.

## Additional Information

- ▶ You generally buy and redeem shares at the Fund's next-determined price as long as the Hong Kong Representative or the Transfer Agent receives your request in good order before the 6:00p.m. cut-off (HK time). Please check whether your distributor has an internal cut-off time which is earlier than this.
- ▶ The net asset value of the Fund is calculated daily. Prices of shares are published each business day on [www.blackrock.com/hk](http://www.blackrock.com/hk). This website has not been reviewed by SFC.
- ▶ The updated list of currently available shares is available from the Hong Kong Representative.

## 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.