

BlackRock Global Funds – China Flexible Equity Fund

October 2022

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**”) and the Renminbi Qualified Foreign Institutional Investor (“**RQFII**”) regime.
- This Fund is denominated in USD and not Renminbi (“**RMB**”). All subscriptions and redemptions are in USD or other major currencies (other than RMB). The Fund involves currency conversions and is therefore subject to higher costs and currency conversion risks.

Quick facts

Management Company:	BlackRock (Luxembourg) S.A.		
Investment Adviser(s) and/or Sub-Adviser(s):	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* <i>* 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.</i>		
RQFII Licence Holder:	BlackRock Asset Management North Asia Limited or an affiliate in the BlackRock Group		
Depository:	The Bank of New York Mellon SA/NV, Luxembourg Branch		
RQFII Custodian:	HSBC Bank (China) Company Limited		
Ongoing charges over a year:	Class A2	EUR Hedged	1.91%
	Class A2	USD	1.91%
	Class D2	EUR Hedged	1.16%
	Class D2	USD	1.16%
	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 31 August 2021. The figure may vary from year to year.		
Dealing frequency:	Daily	Financial year end:	31 August
Base currency:	USD		

Dividend policy: (Class A and D as at the above date)	Non-Distributing Shares: No dividends will be declared or paid ▶ A2, D2 Distributing Shares: Dividends, if declared will be paid in cash or reinvested ▶ Not Available
Minimum investment:	US\$5,000 initial, US\$1,000 additional for Class A Shares US\$100,000 initial, US\$1,000 additional for Class D Shares

What is this product?

China Flexible Equity 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

To maximise total return by investing at least 70% of the Fund’s total assets in stocks of companies based in, or with the majority of their business in the PRC (including small to medium cap companies). For the purpose of the investment objective, the “PRC” excludes Hong Kong and Macau Special Administrative Regions and Taiwan. The Fund will have a flexible allocation between onshore (“**China A-Shares**”) and offshore Chinese equity markets (including but not limited to H-shares, P-chips, Red-chips and American Depositary Receipts (“**ADRs**”)).

The Fund adopts a flexible management approach and focuses on fundamental analysis. The Fund may allocate 0% to 100% of its net asset value in onshore Chinese equities and 0% to 100% of its net asset value in offshore Chinese equities. In deciding between onshore and offshore Chinese equities, the Fund looks at a number of factors, such as market conditions, unique exposure, relative opportunity, valuation, and liquidity.

The Fund may invest up to 100% of its net asset value in the PRC via the Stock Connects and the RQFII regime.

Subject to applicable regulatory restrictions and internal guidelines, the remaining 30% may be invested in financial instruments of companies or issuers of any size in any sector of the economy globally such as equity securities 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 may use derivatives for hedging, efficient portfolio management and investment purposes. The Fund may employ currency management and hedging techniques which may include hedging the currency exposure on the Fund’s portfolio and/or using more active currency management techniques such as currency overlays. Any active management techniques implemented by the Fund through the currency derivatives such as forward exchange contracts, currency futures and options may not be correlated with the primary underlying securities held by the Fund.

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 key 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 Risk

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. Risk relating to Dynamic Asset Allocation Strategy

The dynamic asset allocation may not achieve the desired results under all circumstances and market conditions.

The investments of the Fund may be periodically rebalanced and therefore the Fund may incur greater transaction costs than a fund with static allocation strategy.

4. 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.
- *RMB currency and conversion risks:* RMB is currently not freely convertible and is subject to exchange controls and restrictions.

Any depreciation of RMB could adversely affect the value of investor's investment in the Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

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

- *Risks associated with investment made through an RQFII regime:* The Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.

The Fund may suffer substantial losses if the approval of the RQFII is being revoked/terminated or otherwise invalidated as the Fund may be prohibited from trading of relevant securities and repatriation of the Fund's monies, or if any of the key operators or parties (including RQFII custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

- *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 RQFII 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.

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 investments.

5. Geographical Concentration Risks

The Fund's investments are concentrated in PRC. 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 PRC market.

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.

The Investment Adviser may utilise techniques and instruments (e.g. currency overlays) in relation to currencies other than the base currency with the aim of generating positive returns. Any active currency management techniques implemented by the Fund may not be correlated with the underlying securities held by the Fund. As a result, the Fund may suffer significant losses even if there is no loss to the value of the underlying securities held by the Fund.

9. Derivatives Risks

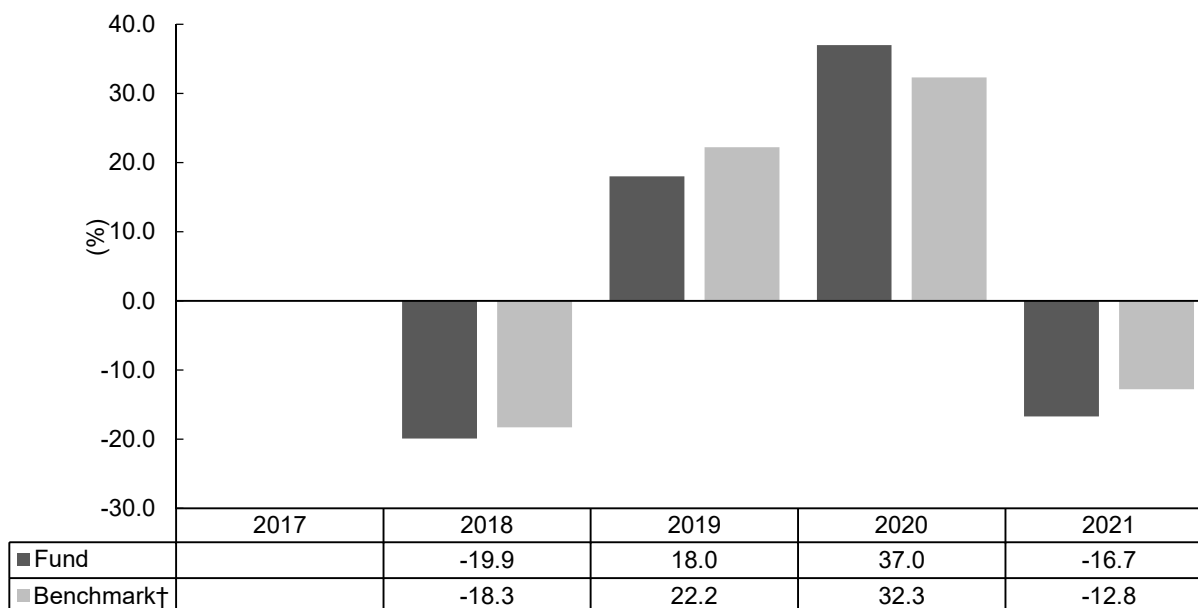
Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the derivative by the Fund.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

10. 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?

Historic performance to 31 December 2021



Notes:

Past performance information is not indicative of future performance. You may not get back the full amount invested. The computation of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested expressed as a % change. These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD, including ongoing charges and taxes and excluding subscription and redemption fees, if applicable. The past performance information reflects the performance of the A2 base currency share class which the Investment Adviser views as the most appropriate representative share class. Please refer to the website www.blackrock.com/hk for performance information regarding other share classes. This website has not been reviewed by the SFC. Where no past performance is shown there was insufficient data available in that year to provide performance.

† The benchmark of the Fund is MSCI China All Shares 10-40 Index. The benchmark was changed on 29 May 2020 as the current benchmark is considered to be more representative of the scope of the Fund's investable universe.

Fund launch date: 2017

Share class launch date: 2017

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
Subscription Fee (Initial Charge)	Class A and Class D Shares: up to 5% of the price of shares
Switching Fee (Conversion Charge)	Nil [^] , 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
Redemption Fee	Nil [^]
Contingent Deferred Sales Charge	Class A and Class D Shares: Nil

[^] 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
Management Fee	1.50% of the net asset value of the relevant Class A Shares* 0.75% of the net asset value of the relevant Class D Shares*
Depository Fees[#]	Safekeeping fees: 0.0024% to 0.45% of the value of the securities Transactional fees: US\$5.5 to US\$124 per transaction
Performance Fee	Nil
Annual Service Charge	Up to 0.25% of the net asset value of the relevant share class*
Distribution Fee	Class A and Class D Shares: Nil

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

[#] 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. This website has not been reviewed by the 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.