

BlackRock Global Funds – Global Allocation Fund

April 2023

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

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> | | |
| Depository: | The Bank of New York Mellon SA/NV, Luxembourg Branch | | |
| Ongoing charges over a year: | Class A2 | AUD Hedged | 1.78% |
| | Class A2 | CHF Hedged | 1.78% |
| | Class A2 | EUR | 1.78% |
| | Class A2 | EUR Hedged | 1.78% |
| | Class A2 | GBP Hedged | 1.78% |
| | Class A2 | HKD Hedged | 1.78% |
| | Class A2 | HUF | 1.78% |
| | Class A2 | PLN Hedged | 1.78% |
| | Class A2 | RMB Hedged | 1.78% |
| | Class A2 | SGD Hedged | 1.78% |
| | Class A2 | USD | 1.78% |
| | Class A4 | EUR | 1.78% |
| | Class A4 | EUR Hedged | 1.78% |
| | Class A4 | USD | 1.78% |
| | Class A9 | AUD Hedged | 1.78% |
| | Class A9 | SGD Hedged | 1.78% |
| | Class A9 | USD | 1.79% |
| | Class C2 | EUR | 3.03% |
| | Class C2 | EUR Hedged | 3.03% |
| | Class C2 | USD | 3.03% |
| | Class D2 | AUD Hedged | 1.03% |
| | Class D2 | CHF Hedged | 1.03% |
| | Class D2 | EUR | 1.03% |
| | Class D2 | EUR Hedged | 1.03% |
| | Class D2 | GBP Hedged | 1.03% |
| | Class D2 | PLN Hedged | 1.03% |

| | | | |
|---|---|---------------------|-----------|
| | <div>Class D2SGD Hedged1.03%</div> <div>Class D2USD1.03%</div> <div>Class D4EUR1.03%</div> <div>Class D4EUR Hedged1.03%</div> <div>Class D4GBP1.03%</div> | | |
| | <div>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 2022.</div> <div>The figure may vary from year to year.</div> | | |
| Dealing frequency: | Daily | Financial year end: | 31 August |
| Base currency: | USD | | |
| Dividend policy: (Class A, C and D as at the above date) | <div>Non-Distributing Shares: No dividends will be declared or paid</div> <div>▶ A2, C2, D2</div> <div>Distributing Shares: Dividends, if declared will be paid in cash or reinvested</div> <div>▶ Quarterly: A9[#]</div> <div>▶ Yearly: A4, D4</div> <div>All declared dividends result in an immediate decrease in the Fund’s net asset values per share on ex-date, whether paid in cash or reinvested.</div> <div>[#] Dividend is calculated at the discretion of the Directors on the basis of the expected gross income over a given period with a view to providing quarterly dividend distributions to shareholders which will on an annual basis be equal to, or greater than, the Dividend Threshold Amount (as defined in the Prospectus). The Dividend Threshold Amount will be set on an annual basis and available from the Hong Kong Representative. In certain circumstances (for example, based on the existing market conditions the gross income is expected to drop substantially), as determined by the Directors, the Dividend Threshold Amount may need to be reduced during the year.</div> <div>Certain share class (Class 9) may pay dividends out of gross income while charging all or part of its fees and expenses to capital (i.e. payment of fees and expenses out of capital). This will result in an increase in distributable income available for payment as dividends, and therefore, this share class may effectively pay dividends out of capital. Further, for Class 9, if dividends calculated on an annual basis are lower than the Dividend Threshold Amount, such share class may also pay dividends out of capital (including net realised and net unrealised capital gains) of the relevant share class at the Directors’ discretion.</div> <div>The Directors may amend the above dividend policy subject to the SFC’s prior approval and by giving one month’s prior notice to investors.</div> | | |
| Minimum investment: | US\$5,000 initial, US\$1,000 additional for Class A and C Shares US\$100,000 initial, US\$1,000 additional for Class D Shares | | |
| <div>What is this product?</div> <div>Global Allocation 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).</div> | | | |
| <div>Objectives and Investment Strategy</div> <div>To maximise total return by investing at least 70% of the Fund’s total assets in stocks, bonds (including</div> | | | |

non-investment grade*) and short term securities issued by companies and governments/authorities worldwide. The Fund will generally invest in securities that show characteristics of being undervalued.

The Fund may invest up to 100% of its assets in equities; and up to 100% in fixed income and money market instruments. The Fund may also invest in emerging markets (such as Brazil, South Africa and South Korea).

The Fund adopts a fully managed investment policy, varying from time to time the combination of United States and foreign equity securities, debt and money market securities, both with respect to types of securities and markets, in response to changing market conditions and economic trends. In deciding between equity and debt investments, the Fund looks at a number of factors, such as the relative opportunity for capital appreciation, capital recovery risk, dividend yields and the level of interest rates paid on debt securities of different maturities.

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 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 20% of its total assets.

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.

The proportion of the Fund's net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 40% and will be consistent with the overall investment policy of 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.

* Debt securities which are unrated or rated, at the time of purchase, BB+ (Standard & Poor's or equivalent rating) or lower by at least one recognised rating agency or, in the opinion of the Management Company, and, where applicable, based on the internal credit quality assessment procedure of the Management Company, are of comparable quality.

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.

The performance of the Fund is partially dependent on the success of the asset allocation strategy employed by the Fund. There is no assurance that the strategy employed by the Fund will be successful and therefore the investment objectives of the Fund may not be achieved.

2. Credit Risks

The Fund may be exposed to the credit/default risk of bonds that it invests in. In the event of bankruptcy or default of an issuer, the Fund may experience losses and incur costs.

The actual or perceived downgrading of a rated debt security or its issuers could decrease its value and liquidity, and may have an adverse impact on the Fund, however, the Fund may continue to hold it to avoid a distressed sale.

3. Currency Risks

The Fund may invest in assets denominated in a currency other than the base currency of the Fund. 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.

4. Derivatives Risks

In an adverse situation, if the use of derivatives for hedging and efficient portfolio management becomes ineffective, the Fund may suffer significant losses.

5. 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, 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.

6. Foreign Investments Restrictions Risks

Some countries prohibit or restrict investment, or the repatriation of income, capital or the proceeds from sale of securities. The Fund may incur higher costs investing in these countries. Such restrictions may delay the investment or repatriation of capital of the Fund.

7. Interest Rate Risks

An increase in interest rates may adversely affect the value of the bonds held by the Fund.

8. Non-Investment Grade / Unrated Bonds Risks

Investment in non-investment grade or unrated bonds, including sovereign debts, may subject the Fund to higher credit/default risks. If the issuer of the non-investment grade or unrated bonds defaults, or if the non-investment grade or unrated bonds fall in value, investors may suffer significant losses.

Non-investment grade or unrated bonds tend to be less liquid and more volatile, and the market for these bonds is generally less liquid and more volatile, than higher rated fixed-income securities. Adverse events or market conditions may have a larger negative impact on the prices of non-investment grade or unrated bonds than on higher rated fixed-income securities. Such securities are also subject to a greater risk of loss of principal and interest than higher rated fixed-income securities.

9. Small Cap Companies Risks

Many small 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 companies may also be more sensitive to market changes than the securities of large companies.

10. Sovereign Debt Risks

Investment in bonds issued or guaranteed by governments or authorities may involve political, economic, default, or other risks, which may in turn have an adverse impact on the Fund. Due to these factors, the sovereign issuers may not be able or willing to repay the principal and/or interest when due.

Holders of defaulting sovereign debt may be requested to participate in the restructuring of such debt. In addition, there may be limited legal recourses available against the sovereign issuer in case of failure of or delay in repayment.

The Fund may have exposure to Eurozone sovereign debts. In light of the fiscal conditions of certain European countries, the Fund may be subject to a number of increased risks arising from a potential crisis in the Eurozone (such as volatility, liquidity, price and currency risks). The performance of the Fund could deteriorate should there be any adverse events in the Eurozone (e.g. downgrade of sovereign credit ratings, default of one or more European countries, or even break-up of the Eurozone).

11. Capital Growth Risks*Risks associated with Fees and/or Dividends Paid Out of Capital*

Any distributions involving payment of dividends out of capital (Class 9) or payment of dividends out of gross income (i.e. payment of fees and expenses out of capital) (Class 9) amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Whilst all dividends paid result in an immediate reduction of the net asset value per share, this share class may pay larger dividends (i.e. by paying dividends out of capital or gross income), which may therefore result in a larger reduction in the net asset value per share.

Risks associated with Distributing Shares with Dividend Threshold Amount

In respect of Distributing Shares with Dividend Threshold Amount (Class 9), any dividend distributions on an annual basis must be at least equal to the Dividend Threshold Amount, and in the event of a shortfall, a material portion of any dividend payment may be made out of capital. Therefore the risk to capital growth is particularly relevant and the capital that is returned via the dividend will not be available for future capital growth.

In certain circumstances, the Dividend Threshold Amount may need to be reduced during the year.

Investments in Distributing Shares with Dividend Threshold Amount (Class 9) are not an alternative to a savings account or fixed-interest paying investment. The percentage of distributions paid by this share class is unrelated to expected or past income or returns of such share class or the Fund.

12. Securities Lending Risks

When engaging in securities lending, the Fund will have a credit risk exposure to the counterparties to any securities lending contract. Fund investments can be lent to counterparties over a period of time. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the Fund.

13. Currency Conversion Risk for Renminbi (“RMB”) Denominated Classes

The Fund offers RMB denominated share classes. RMB is currently not freely convertible and is subject to exchange controls and restrictions.

Under exceptional circumstances, payment of realisation proceeds and/or dividend payment (if any) 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. The Management Company will apply the CNH rate for currency conversion of RMB denominated share classes. Any divergence between CNH and CNY may adversely impact investors.

14. 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.

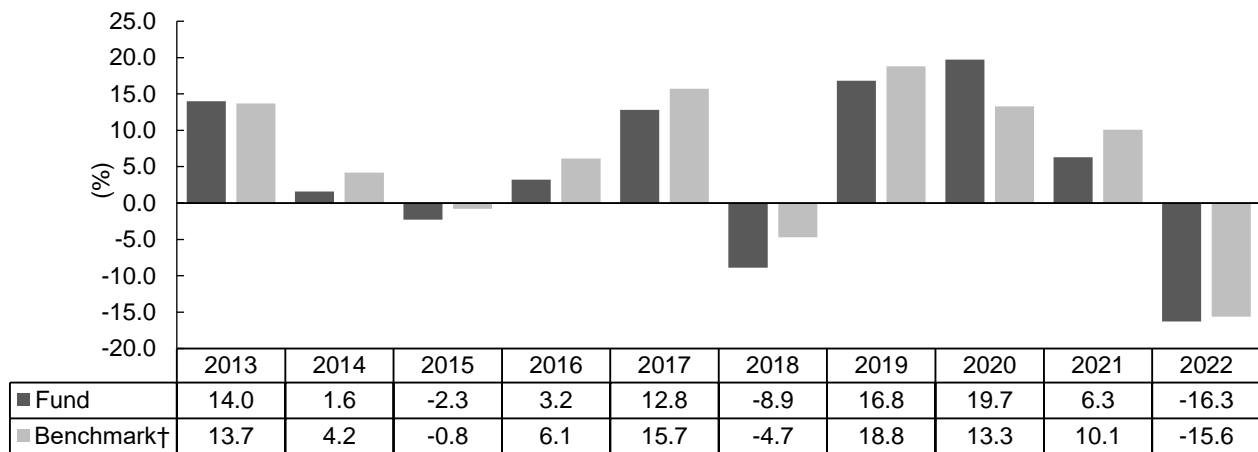
15. Contingent Convertible Bonds Risks

A contingent convertible bond may be converted into the issuer’s equity or be partly or wholly written off (a “write-down”) if a pre-specified trigger event occurs. Trigger levels differ and the exposure to conversion risk depends on the distance of the capital ratio to the trigger level. In case of conversion into equity, the Fund might be forced to sell these new equity shares. Such a forced sale might have an effect on market liquidity as there may not be sufficient demand for these shares. In the event of a write-down, which may be either temporary or permanent, the Fund may suffer a full, partial or staggered loss of the value of its investment. It might be difficult for the Fund to anticipate the trigger events or how the securities will behave upon conversion.

Investment in contingent convertible bonds may suffer a loss of capital. Further, contingent convertible bonds are usually subordinated to comparable non-convertible securities, and thus are subject to higher risks than other debt securities. Coupon payments on certain contingent convertible bonds may be entirely discretionary and may be cancelled by the issuer, in which event the Fund may experience losses. Investment in contingent convertible bonds may also lead to increased industry concentration risk and thus counterparty risk as such securities are issued by a limited number of banks.

How has the fund performed?

Historic performance to 31 December 2022



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.

† The benchmark of the Fund is S&P 500 (36%); FTSE World (ex-US) (24%); ICE BofAML Current 5Yr US Treasury Index (24%) (formerly known as 5 Year US Treasury Note) and FTSE Non-USD World Government Bond Index (16%) (formerly known as Citigroup Non-USD World Government Bond Index).

Fund launch date: 1997

Share class launch date: 1997

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 Class C Shares: Nil |
| 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 Class C Shares: 1% of the lower of the original investment amount or redemption proceeds if the Shares are held for less than one year |

[^] 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 and Class C Shares respectively* 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 Class C Shares: 1.25% of the net asset value of the relevant share class |

* 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 SFC.
- ▶ The updated list of currently available shares is available from the Hong Kong Representative.
- ▶ The composition of the latest dividends (i.e. relative amounts paid from (i) net distributable income and (ii) capital) for the last 12 months are available from the Hong Kong Representative upon request and on www.blackrock.com/hk. This website has not been reviewed by the SFC.

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.