BLACKROCK COLLECTIVE INVESTMENT FUNDS
PROSPECTUS
15 March 2019

BlackRock Fund Managers Limited

BLACKROCK COLLECTIVE INVESTMENT FUNDS

PROSPECTUS

BlackRock Balanced Managed Fund
iShares Continental European Equity Index Fund (UK)
iShares Corporate Bond Index Fund (UK)
BlackRock Corporate Bond 1-10 Year Fund
iShares Developed Asia Pacific Ex Japan Equity Index Fund (UK)*
iShares Emerging Markets Equity Index Fund (UK)
iShares Global Property Securities Equity Index Fund (UK)
iShares Index Linked Gilt Index Fund (UK)
iShares Japan Equity Index Fund (UK)
iShares Mid Cap UK Equity Index Fund (UK)
iShares North American Equity Index Fund (UK)
iShares Over 15 Years Corporate Bond Index Fund (UK)
iShares Over 15 Years Gilts Index Fund (UK)
iShares Overseas Corporate Bond Index Fund (UK)
iShares Overseas Government Bond Index Fund (UK)
iShares Pacific Ex Japan Equity Index Fund (UK)
iShares 100 UK Equity Index Fund (UK)
iShares 350 UK Equity Index Fund (UK)
iShares UK Equity Index Fund (UK)
iShares UK Gilts All Stocks Index Fund (UK)
iShares US Equity Index Fund (UK)
iShares World Ex UK Equity Index Fund (UK)*

Valid as at
15 March 2019

12 Throgmorton Avenue
London EC2N 2DL

Telephone: 020 7743 3000

* Fund not yet launched. Such Funds may be launched at the Manager's discretion.

Facsimile: 020 7743 1000

Contents **Page**

IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

BLACKROCK COLLECTIVE INVESTMENT FUNDS (the "Trust")

This document is the Prospectus of the authorised unit trust scheme detailed in this Prospectus. The Trust is organised as an umbrella unit trust scheme comprising separate funds with segregated liability detailed in Appendix 1 from time to time (each referred to herein as a "**Fund**" and collectively the "**Funds**"), valid as at the date specified on the cover of this document. Each Fund shall have a segregated portfolio of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Trust and any other Fund and shall not be available for any other purpose. The Funds are subject to the rules of the FCA as set out in the COLL Sourcebook. This Prospectus complies with the requirements of COLL 4.2 of the COLL Sourcebook. Key investor information documents for each unit class in each of the Funds referred to in this Prospectus, including historic performance data, are available from the Manager.

Subject to the above, each Fund will be charged with the liabilities and expenses attributable to that Fund and within the Fund charges will be allocated between classes of units in accordance with the terms of issue of units of those classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the Trustee in consultation with the Manager in a manner which it believes is fair to unitholders generally within the same umbrella. This will normally be pro rata to the net asset value of the relevant Funds.

The UK is scheduled to leave the European Union ("EU") on exit day. On or after exit day, any reference in this Prospectus to an EU Directive or a provision of an EU Directive is to be taken to be a reference to all of the legislation or regulatory rules of the UK which:

a. implemented any obligation of the UK under the EU Directive or the provision of the EU Directive (as the case may be), or enabled any such obligation to be implemented;

b. exercised any rights available to the UK under the EU Directive or the provision of the EU Directive (as the case may be), or enabled any such rights to be exercised; or

c. dealt with any matter arising out of or related to any such obligation or right,

immediately before exit day.

Where any such legislation or rule is amended, replaced, recast, restated or applied with any relevant modification on or after exit day, the reference shall be taken to be a reference to that legislation or rule as so amended, replaced, recast, restated or applied (as the case may be).

"exit day" has the meaning given in section 20(1) of the European Union (Withdrawal) Act 2018 as amended from time to time.

Distribution

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of units other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of units shall not, under any circumstances, create any implication that the affairs of any Fund have not changed since the date hereof.

Authorised intermediaries which offer, recommend or sell units in the Funds must comply with all laws, regulations and regulatory requirements applicable to them. Also, such intermediaries should consider such information about the Funds as is made available by the Manager or Investment Manager for the purposes of the EU's Product Governance regime under MiFID II including, without limitation, target market information.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not lawful or in which the person making such an offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such a solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for units in the Funds to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective investors should inform themselves as to the legal requirements of applying for units and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, domicile or incorporation.

US Persons are not permitted to subscribe for units in the Funds. The units in the Funds have not and will not be registered under the United States Securities Act 1933, the United States Investment Company Act 1940, or the securities laws of any of any of the States of the United States of America and may not be directly or indirectly offered or sold in the United States of America or for the account or benefit of any US Person, except pursuant to an exemption from or in a transaction not subject to the registration requirements of the United States Securities Act 1933, United States Investment Company Act 1940 and similar requirements of such state securities law.

The units in the Funds have not been, nor will they be, qualified for distribution to the public in Canada as no prospectus for the Funds has been filed with any securities commission or regulatory authority in Canada or any province or territory thereof. This document is not, and under no circumstances is to be construed, as an advertisement or any other step in furtherance of a public offering of units in Canada. No Canadian resident may purchase or accept a transfer of units in the Funds unless he is eligible to do so under applicable Canadian or provincial laws.

Glossary

Associated Fund	A UCITS and/or other collective investment scheme that is managed by the Manager or by an associate (as defined by the FCA).
Auditor	Ernst & Young LLP, the auditors of the Funds.
Benchmark Index	In relation to a Fund, the index against which the return of the Fund will be compared.

BlackRock Group	The BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc..
BlackRock Investment Trust	An investment trust, as defined in the Glossary to the FCA Handbook, managed by any company within the BlackRock Group.
Bond Connect	The initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China, as described in the section entitled Risk Considerations-Investment in the China Interbank Bond Market.
BNYM (International) Limited	The Bank of New York Mellon (International) Limited, the Trustee and custodian of the Funds.
Business Day	A day which is not a Saturday or Sunday or any other day recognised in England and Wales as a public holiday or any other day on which banks or the London Stock Exchange are not open for business in the UK. In addition, where a Fund invests outside the UK, the Manager may also take into account whether relevant local exchanges are open, and may elect to treat such closures as non-business days. A list of such days treated as non-business days for certain Funds from time to time can be obtained from the Manager upon request and is also available in the "Library" section on the "Individual Investor" and the "Intermediary" websites at www.blackrock.co.uk. This list is subject to change.
China A Shares	Securities of companies that are incorporated in the PRC and denominated and traded in Renminbi on the Shanghai and Shenzhen Stock Exchanges.
CIBM Funds	The Funds that may invest in the China Interbank Bond Market via the Foreign Access Regime and/or the Bond Connect, as shown in the table in the section entitled Risk Considerations.
COLL Sourcebook	The Collective Investment Schemes Sourcebook published by the FCA, as amended from time to time. References to rules or guidance in the COLL Sourcebook are prefaced by "COLL".
Directive	The UCITS Directive (Directive No. 2009/65/EC of the Council and of the European Parliament of 13 July 2009) as amended.
Equity Fund	A Fund which tracks a Benchmark Index comprised of equity securities (see Appendix 1).
FCA	The Financial Conduct Authority or any other relevant successor regulatory body from time to time.
FCA Handbook	The FCA's handbook of rules and guidance, as amended from time to time.
Fixed Income Fund	A Fund which tracks a Benchmark Index comprised of fixed income securities (see Appendix 1).
Fund or Funds	The authorised unit trust schemes managed by the Manager which are set out in Appendix 1 to this Prospectus.
HKSCC	Hong Kong Securities Clearing Company Limited.
Investment Manager	BlackRock Investment Management (UK) Limited.
Manager	BlackRock Fund Managers Limited.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as may be amended, modified or supplemented from time to time.
NAV	The net asset value of a Fund determined in accordance with the Trust Deed and Appendix 4.
PNC Group	The PNC group of companies, of which the PNC Financial Services Group, Inc. is the ultimate holding company.
PRC	People's Republic of China.
Principal Distributor	BlackRock Investment Management (UK) Limited.
QFII	Qualified Foreign Institutional Investor
Register	The register of unitholders for each of the Funds.
Registrar	BlackRock Fund Managers Limited.
RQFII	Renminbi Qualified Foreign Institutional Investor.
Safekeeping Function	The function of safekeeping the assets of the Funds, which includes (a) holding in custody all financial instruments that may be registered in a financial instrument account opened in the Trustee's books and all financial instruments that can be physically delivered to the Trustee; and (b) for other assets, verifying the ownership of such assets and the maintenance of a record accordingly
SDRT	Stamp duty reserve tax.
SEHK	The Stock Exchange of Hong Kong
Stock Connect	The Shanghai-Hong Kong Stock Connect

Stock Connect Funds	The Funds that may invest in China A Shares via the Stock Connect, as shown in the table in the section entitled Risk Considerations.
Trust Deed	The instrument constituting each of the Funds.
Trustee	The Bank of New York Mellon (International) Limited, which has been appointed as depositary of the Funds within the meaning of the Directive (as defined below).
UCITS	An undertaking for collective investment in transferable securities as defined in the Directive as amended.
UK	United Kingdom.

1. The Manager

BlackRock Fund Managers Limited acts as manager of the Funds and also of other authorised unit trust schemes listed in Appendix 2 "Other Authorised Unit Trust Schemes" for which separate prospectuses, simplified prospectuses and key investor information documents (in the case of UCITS schemes) are available.

The Manager (Registered Company No. 1102517) is a limited company incorporated in England and Wales on 20 March 1973 under the Companies Acts 1948 to 1967 for an unlimited duration. It is a subsidiary of BlackRock, Inc. and forms part of the BlackRock Group. The Manager is authorised and regulated by the FCA to carry on investment business in the UK. The Manager may delegate discretionary investment management services and administrative and registrar services to third parties. Further details of the services currently delegated are set out in paragraphs 3 and 4. In addition, BlackRock Group Limited has appointed Bank of New York Mellon (International) Limited to provide fund accounting services and fund administration to the BlackRock Group, including the Manager, for the benefit of the Funds.

The remuneration policy of the Manager (the "Remuneration Policy") sets out the policies and practices that are consistent with and promote sound and effective risk management. It includes a description as to how remuneration and benefits are calculated and identifies those individuals responsible for awarding remuneration and benefits. It does not encourage risk-taking which is inconsistent with the COLL Sourcebook or Trust Deed and do not impair compliance with the Manager's duty to act in the best interest of unitholders. The Remuneration Policy includes fixed and variable components of salaries and discretionary pension benefits. The Remuneration Policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profile of the Manager. The Remuneration Policy is available on the individual Fund pages at www.blackrock.co.uk (select the relevant Fund in the "Product" section and then select "All Documents") or a paper copy is available upon request and free of charge from the registered office of the Manager.

Registered office: 12 Throgmorton Avenue, London EC2N 2DL.

Issued and paid-up share capital: £18,100,000 divided into ordinary shares of £1 each.

Directors of BlackRock Fund Managers Limited:

G D Bamping
C L Carter
M B Cook
W I Cullen
R A R Hayes
A M Lawrence
L E Watkins
M T Zemek

G D Bamping, W I Cullen and M T Zemek are non-executive directors. G D Bamping, A Lawrence and R Hayes are Directors on the Boards of other companies within the BlackRock Group. None of the Directors' main business activities (which are not connected with the business of the Manager or any of its associates) is of significance to the Funds' business.

2. The Trustee

The Trustee of the Funds is The Bank of New York Mellon (International) Limited, a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The registered and head office of the Trustee is 1 Canada Square, London, E14 5AL.

The principal business activity of the Trustee is the provision of custodial, banking and related financial services. The Trustee is authorised by the Prudential Regulation Authority and dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The Bank of New York Mellon (International) Limited is the trustee of the Funds and, for the avoidance of doubt, acts as the global custodian to the Funds.

The Trustee acts as depositary for the purposes of Directive 2009/65/EC of the European Parliament and European Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 (the "UCITS V Directive"), as supplemented by Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to the obligations of depositaries, following its entry into full legal force and effect in the European Union (and for the avoidance of doubt, following the expiration of any implementation period applicable to such Regulation) (the "UCITS V Regulations"), and as incorporated into English law by any Statutory Instrument as may be issued from time to time to implement the UCITS V Directive in the UK (the "UK Implementing Legislation"). References in this section to the "Directive" shall include the UCITS Directive as supplemented by the UCITS V Regulations and as incorporated into English law by the UK Implementing Legislation, and/or any other implementing legislation on an EU or UK level.

The Trustee's services which include the safekeeping of the property of the Funds, must be performed in accordance with the Trust Deed and the provisions of the COLL Sourcebook.

The Manager is required to enter into a written contract with the depositary to evidence its appointment. The Trustee was appointed as depositary under an agreement entered into between BlackRock Fund Managers Limited and BNY Mellon Trust & Depositary (UK) Limited dated 13 October 2016 as amended from time to time and as novated in favour of the Trustee with effect from 18 June 2018 (the "Depositary Agreement").

The Funds will pay trustee and custody fees to the Trustee as set out in section 22 of this Prospectus.

The Duties of the Trustee

The Trustee is responsible for the safekeeping of the scheme property, monitoring the cash flows of the Funds, and must ensure that certain processes carried out by the Manager are performed in accordance with the UCITS V Directive, the Trust Deed and the Prospectus.

In this capacity, the Trustee's duties include, amongst others, the following:

(i) ensuring that each Fund's cash flows are properly monitored, and that all payments made by or on behalf of unitholders upon the subscription of units of the Funds have been received;

(ii) safekeeping the assets of the Funds, which includes (a) holding in custody all financial instruments that may be registered in a financial instrument account opened in the Trustee's books and all financial instruments that can be physically delivered to the Trustee; and (b) for other assets, verifying the ownership of such assets and maintaining a record accordingly (the "Safekeeping Function");

(iii) ensuring that the sale, issue, re-purchase, redemption and cancellation of units of each Fund are carried out in accordance with applicable national law and the Trust Deed;

(iv) ensuring that the value of the units of each Fund is calculated in accordance with the applicable national law and the Trust Deed;

(v) carrying out the instructions of the Manager, unless they conflict with the applicable national law or the Trust Deed;

(vi) ensuring that in transactions involving each Fund's assets any consideration is remitted to the relevant Fund within the usual time limits; and

(vii) ensuring that the Funds' income is applied in accordance with the applicable national law and the Trust Deed.

The Trustee will ensure that the assets of the Funds held in custody by the Trustee shall not be reused by the Trustee or by any third party to whom the custody function has been delegated for their own account. Reuse comprises any transaction of assets of the Funds held in custody including, but not limited to, transferring, pledging, selling and lending. Reuse of the assets of the Funds held in custody are only allowed where:

(a) the reuse is permitted under COLL 5.4; and

(b) the Trustee is carrying out the instructions of the Manager acting on behalf of the Funds.

Conflicts of Interest

From time to time conflicts may arise between the Trustee and its delegate, for example, where an appointed delegate is an affiliated group company (as is the case) and is providing a product or service to a Fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the Funds.

The Trustee or any affiliated group company may have an interest, relationship or arrangement that is in conflict with or otherwise material in relation to the services it provides to the Manager and the Funds. Conflicts of interest may also arise between the Trustee's different clients.

As a global financial services provider, one of the Trustee's fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, the Trustee is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients.

The Trustee is required to and does maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

The Trustee maintains an EMEA Conflicts of Interest Policy (the "Conflicts Policy"). The Conflicts Policy (in conjunction with associated policies):

(a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;

(b) specifies the procedures or measures which should be followed or adopted by the Depositary in order to prevent or manage and report those conflicts of interest;

(c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;

(d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Trustee;

(e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;

(f) specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and

(g) sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

The Conflicts Policy clarifies that disclosure of conflicts of interest to clients is a measure of last resort to be used by the Trustee to address its regulatory obligations only where the organisational and administrative arrangements established by the relevant firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

The Trustee must assess and periodically review the Conflicts Policy at least once per annum and take all appropriate measures to address any deficiencies.

For the purposes of this section, the following definitions shall apply:

"Link" means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

"Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

The following conflict of interest arises between the Trustee, the Funds and the Manager:

A Group Link because the Manager has delegated certain administrative functions to an entity within the same corporate group as the Trustee.

The Trustee shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link(s) and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Trustee and the Manager will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Funds and its unitholders.

To the extent that a Link exists between the Trustee and any unitholders in the Funds, the Trustee shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that its functions comply with Article 23 of the UCITS V Regulations as applicable.

The following conflict of interest arises as a result of the delegation arrangements relating to safekeeping outlined above:

A Group Link where the Trustee (or any delegate of the Trustee) has delegated the safekeeping of the scheme property to an entity within the same corporate group as the Trustee.

The Trustee shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Links and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Trustee will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Funds and unitholders.

The Trustee may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

Delegation of Safekeeping Functions

The Trustee acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation).

The Trustee has delegated safekeeping of the assets of the Funds to The Bank of New York Mellon SA/NV and/or the Bank of New York Mellon (the "Global Sub-Custodians"). The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Funds may invest to various sub-delegates ("Sub-Custodians").

The Trustee is liable to the Funds for the loss of financial instruments of the Funds which are held in custody as part of the Trustee's Safekeeping Function (irrespective of whether or not the Trustee has delegated its Safekeeping Function in respect of such financial instruments). This standard of liability applies only to financial instruments capable of being registered in a financial instruments account opened in the Trustee's books or which can be physically delivered to the Trustee. The Trustee shall not be liable for such loss of financial instruments held in custody if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Trustee shall also be liable to the Funds for all other losses suffered by the Funds as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS V Directive.

A list of Sub-Custodians is given in Appendix 5. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of Sub-Custodians is updated only at each Prospectus review. As at the date of this Prospectus this list is correct, however, for the current list at any given time, please refer to the website at www.blackrock.co.uk/Resources/Library.

Up-to-date information regarding the Trustee, its duties, conflicts of interest that may arise, safekeeping functions delegated by it, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to investors on request.

3. The Investment Manager

BlackRock Investment Management (UK) Limited acts as Investment Manager of the Funds. The registered office of the Investment Manager is at 12 Throgmorton Avenue, London EC2N 2DL. It is authorised and regulated by the FCA. The Investment Manager's principal activity is providing collective portfolio management services.

The Investment Manager has been granted the authority to manage and make purchases and sales of investments for the appropriate Funds on the Manager's behalf and as the Manager's agent, within the investment policies of the Funds. The Investment Manager has discretion to buy, sell, retain, exchange or otherwise deal in investments, subscribe for new issues, and accept placings, underwritings or sub-underwritings for the relevant Funds. The Investment Manager may delegate any of its functions to associates and shall give the Manager written notice of any such delegation to investment advisers which involves the exercise of its discretionary investment management powers.

The Investment Manager (or an associate to which a function has been delegated) reports to the board of the Manager on the performance of and future policy for each Fund.

The Manager, the Investment Manager, and the Principal Distributor are members of the BlackRock Group and are associates. Their ultimate holding company is BlackRock, Inc., a US public company.

The Manager may terminate its investment management agreement with the Investment Manager upon notice with immediate effect. The Investment Manager may terminate its agreement on giving three months' notice to the Manager.

The Investment Manager's fees for acting as Investment Manager are paid by the Manager.

4. The Principal Distributor

BlackRock Investment Management (UK) Limited is the Principal Distributor of the Funds. It is regulated by the FCA.

The Principal Distributor was incorporated with limited liability in England and Wales on 16th May 1986 for an unlimited period. The directors of the Principal Distributor are: N J Charrington, E J de Freitas, J E Fishwick, P M Olson, C R Thomson, R M Webb, M A Young and R Lord.

The registered office of the Principal Distributor is at 12 Throgmorton Avenue, London EC2N 2DL.

The Principal Distributor has authority to distribute the Funds directly, and also to appoint other distributors of the Funds, provided any such distribution is carried out in accordance with applicable law in the jurisdiction where such distribution is undertaken. The Principal Distributor may enter into retrocession arrangements with third party distributors.

The Principal Distributor is authorised by the Manager and entitled at its sole discretion, subject to the FCA rules, and without recourse or cost to the Funds, to rebate all of or part of the Manager's charges by way of initial or renewal commission or rebate of the annual management charge, to authorised intermediaries or to third party distributors or agents in respect of any subscriptions for, or holdings of, units for any investors, as further described in section 13 of this Prospectus. Payment of rebates is subject to the Manager receiving its fees and charges from the Funds. The Manager may also discount preliminary charges to directors and employees of the Principal Distributor and its affiliates.

The Principal Distributor has appointed BlackRock (Channel Islands) Limited ("BCI") to carry out certain administration services. BCI is a company incorporated with limited liability in Jersey on 10th August 1972 for an unlimited period.

The registered office of BCI is at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey, Channel Islands, JE4 0QH.

5. The Stock Lending Agent

BlackRock Advisors (UK) Limited, having its registered office at 12 Throgmorton Avenue, London, EC2N 2DL will act as stock lending agent. BlackRock Advisors (UK) Limited may sub-delegate performance of its stock lending agency services to other BlackRock Group companies or third parties including PNC Group companies.

BlackRock Advisors (UK) Limited has the discretion to arrange stock loans with counterparties which may include associates within the BlackRock Group and third party companies within the PNC Group.

Any income generated from stock lending shall be allocated between the relevant Fund and the stock lending agent. The stock lending agent's fee is currently 37.5 per cent of the total income generated from stock lending. The remaining income, 62.5 per cent, will be reinvested into the relevant Funds. Any costs and expenses associated with stock lending will be met by the stock lending agent out of this fee.

6. The Registrar

The Manager is the person responsible for maintaining the Register under the terms of the Trust Deed of each of the Funds. The Register for each of the Funds may be inspected at the registered office of the Manager by or on behalf of the holders, on any Business Day during normal business hours. The Manager has delegated its registrar functions and certain administration services to The Bank of New York Mellon (International) Limited.

The Register is conclusive evidence of the title to units except in the case of any default in payment or transfer to a Fund of cash or other property due and the Trustee and the Manager are not obliged to take notice of any trust or equity or other interest affecting the title to any of the units.

7. The Auditor

The auditor of the Funds is Ernst & Young LLP whose address is 1 More London Place, London, SE1 2AF.

8. Purchase and Redemption of Units

(a) Purchase of Units

Subject to the policy on pricing (see paragraph 11) and the relevant Unitholder successfully opening an account, units in any Fund may normally[1] be purchased between 8.30 a.m. and 5.30 p.m. ("normal business hours") on any Business Day either in writing, by telephoning the Investor Services Team on Freephone 0800 445522 or (when available) by such forms of electronic communication as may be approved by the Manager.

Written instructions should be addressed to the Manager and sent by post to the Registrar using the following address:

BlackRock, PO Box 545, Darlington, DL1 9TQ.

Any written instructions sent directly to the Manager will be forwarded to the Registrar as soon as reasonably practicable. Instructions will be processed at the next valuation point following receipt by the Registrar.

[1] In certain circumstances, for example, in the unlikely event of operational systems failure, or in exceptional market conditions, dealing in the Funds may not be possible at the times stated.

It is currently not possible to purchase units over the telephone using a debit card or to set up direct debit mandates by telephone, however, this may be made available to investors in the future. To confirm whether this is available at the time of purchase please contact the Investor Services Team, on Freephone 0800 445522. When units are purchased over the telephone, calls may be recorded by the Manager. When placing an order for the purchase of units, the Manager will request that an application form be completed and returned to the Manager.

The Manager reserves the right to reject, on reasonable grounds, any application for units in whole or in part. Failure to return a fully completed application form may result in a delay in the Manager processing any subsequent redemption request or may result in the Manager withholding redemption proceeds. Any such redemption monies will be held by the Manager in accordance with FCA rules on client money with a third party bank. No interest will be paid to investors during the period the monies are treated as client money.

All requests for purchase of units must be received by the dealing cut off time for the Funds as set out in Appendix 1, otherwise they will be held over to the next following valuation point. Purchase orders made by telephone or (when available) by electronic communication and received outside of normal business hours will be effected as soon as possible on the next Business Day. Please note that monies received on a Business Day when there is not a valuation point will not be invested in the relevant Fund until the next valuation point. Any such monies will be held by the Manager in accordance with the FCA rules on client money with a third party bank. No interest will be paid to investors during the period the monies are treated as client money.

A contract note will be sent on the next Business Day after the valuation point applicable to the deal. The contract note will show the price of the units and the total cost, rounded up or down to the nearest penny. If the unitholder has not already paid, they must ensure that the Manager receives payment by close of business on the third Business Day after the contract date. The Manager may however, subject to notifying the relevant unitholder prior to accepting a purchase request, require earlier payment. If timely settlement is not made, the Manager may, at its sole discretion, cancel the relevant subscription of units and/or an applicant may be required to pay an administration charge to the Manager to cover any costs and resultant losses incurred by the Manager and/or the Funds. Payment for the subscription of units can be by cheque or by electronic payment by prior arrangement with the Manager.

The Manager will not send contract notes for purchases under the BlackRock Savings Plan. Instead, it will send an initial acknowledgement, followed by half-yearly statements. These statements are designed according to the FCA rules.

No certificates are issued for units in the Funds.

Unitholders must meet the investment criteria for any unit class in which they intend to invest (such as minimum initial investment and, for Class H units[+] and Class X units*, having an agreement with the Manager, the Principal Distributor or one of their affiliates in relation to the holding of Class H units or Class X units respectively). If a purchase request is processed for units in a class in which a unitholder does not meet the investment criteria then the Manager reserves the right to switch the investor into a more appropriate class in the Fund (where available) or redeem the unitholder's units. In such a scenario the Manager is not obliged to give the unitholder prior notice of its actions and the investor bears any consequent risk including that of market movement.

(b) Cancellation rights

Unitholders have14 days in which to cancel the relevant purchase if they are advised to purchase units by an authorised person through whom a unitholder's business is placed with the Manager unless an appropriate customer agreement exists between such authorised person and the unitholder. The 14 days commences upon the unitholder's receipt of the contract note and the unitholder will need to notify the Manager in writing that they wish to exercise a right to cancel. Unitholders should note that exercising their right to cancel does not necessarily mean that they will receive back the amount they invested. Unitholders will receive back an amount based on the purchase price next calculated following the Manager's receipt of a valid cancellation notice in writing. If a unitholder has not yet paid for the investment, they will be liable to make up any shortfall. Proceeds from cancellation will be retained in a client money account until the purchase payment has cleared. This may be for a period of up to 21 calendar days from the date of acquisition. No interest will be paid on cancellation monies.

For regular savings, unitholders are only entitled to exercise a right to cancel in respect of the initial payment, although, they will not be liable to make up any shortfall and will therefore receive the full amount of the initial payment.

(c) Redemption of Units

Subject to the policy on pricing and the relevant Unitholder successfully opening an account, units in a Fund may normally[2] be sold back to the Manager during normal business hours on any Business Day either by application in writing, by telephone or by fax. Written applications should be addressed to the Manager and sent by post to the Registrar using the following address: BlackRock, PO Box 545, Darlington, DL1 9TQ. Any written applications sent directly to the Manager will be forwarded to the Registrar as soon as reasonably practicable. Applications will be processed at the next valuation point following receipt by the Registrar. When unitholders redeem units over the telephone, calls may be recorded by the Manager. Redeeming unitholders must complete and sign a renunciation form, or write a letter confirming the redemption. This form is available from the Manager on request. In limited circumstances the Manager may at its discretion accept renunciation instructions by facsimile (followed by an original signature). The Manager does not normally accept renunciation or transfer instructions in electronic format. The Manager will send unitholders a repurchase contract

[+] Class H units are available as set out in Appendix 1.

* Class X units are available as set out in Appendix 1.

[2] In certain circumstances, for example, in the unlikely event of operational systems failure, or in exceptional market conditions, dealing in the Funds may not be possible at the times stated.

note by close of business on the Business Day after the valuation point applicable to the deal. The proceeds will be sent to unitholders by the close of business on the third Business Day after the later of the following times:

(i) the valuation point at which the repurchase instruction was processed; or

(ii) the receipt of written instructions or document of renunciation.

On agreeing to a redemption of units, the Manager will pay the unitholder the appropriate proceeds of redemption within the period specified above unless the Manager has reasonable grounds for withholding all or any part of the proceeds.

All requests for redemption must be received by the dealing cut off time for the relevant Fund as set out in Appendix 1, otherwise they will be held over to the next following valuation point.

(d) Deferred redemption

At times of excessive redemptions the Manager may decide to defer redemptions at any valuation point to the next valuation point where the requested aggregate redemptions exceed 10 per cent of a Fund's value. This will therefore allow the Manager to protect the interests of continuing unitholders by allowing the Manager to match the sale of scheme property to the level of redemptions. This should reduce the impact of dilution on the Fund. All unitholders who have sought to redeem units at any valuation point at which redemptions are deferred will be treated consistently and any redemption requests received in the meantime will not be processed until the redemption requests that have been deferred to subsequent valuation points have been processed.

(e) In specie subscriptions and redemptions

The Manager may, at its discretion, arrange for the Trustee to issue units in exchange for assets other than cash. The Trustee may, on the instruction of the Manager, pay out of a Fund, assets other than cash as payment for the sale of units. An in specie subscription or in specie redemption will only take place where the Trustee has taken reasonable care to determine that it is not likely to result in any material prejudice to the interests of unitholders in the relevant Fund.

Where the Manager considers a cash subscription to be substantial in relation to the total size of a Fund it may require the investor to contribute in specie. The Manager may consider a deal in this context to be substantial if the relevant units constitute 5 per cent (or a lesser or higher percentage if considered appropriate) of those in issue in the relevant Fund.

The Manager will ensure that the beneficial interest in the assets is transferred to the Fund with effect from the issue of the units.

The Manager will not issue units in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Fund.

If a unitholder wishes to sell units in any Fund representing 5 per cent or more of the value of that Fund the Manager can elect not to give the unitholder the proceeds of the sale of units but instead transfer property (i.e. underlying securities) of the relevant Fund to the unitholder (an "in specie redemption").

Where the Manager elects to carry out an in specie redemption, it must notify the unitholder of this in writing no later than the close of business on the second Business Day after the day on which it received selling instructions from the unitholder.

Where there is an in specie redemption, the Trustee will, in accordance with the rules of the COLL Sourcebook, cancel the units and transfer a proportionate share of the assets of the relevant Fund or such selection from the property of the Fund as the Trustee, after consultation with the Manager, decides is reasonable to the unitholder, in either case having regard to the need to be fair both to the unitholder taking the in specie redemption and to continuing unitholders.

Irrespective of the value of the units, where a unitholder wishes to redeem and the Manager has elected to provide an in specie redemption, the unitholder is entitled to instruct the Manager not to transfer assets, but to sell those assets (other than those in cash in the relevant currency) and pay to the unitholder the net proceeds of sale (and cash). However instruction must be given by the unitholder in writing to the Manager by the close of business on the third Business Day after receipt of the Manager's notice of election to provide an in specie redemption. The value raised will not necessarily correspond with the applicable published bid price.

The Manager may, in its sole discretion, agree to a request from a unitholder for an in specie redemption where it receives such request in advance of the redemption request. Where the Manager does agree, the Trustee will transfer assets to the unitholder of the relevant Fund in the manner set out above.

(f) Suspension

The Manager may, with the prior agreement of the Trustee, and must without delay, if the Trustee so requires, temporarily suspend the sale and redemption of units for a period of time where due to exceptional circumstances it is in the interest of all unitholders in the relevant Fund.

The Manager and Trustee must ensure that the period of suspension is only allowed to continue for as long as it is justified having regard to the interest of unitholders and that dealing resumes as soon as practicable after the circumstances triggering a suspension have ceased. Upon suspension the Manager or the Trustee will immediately inform the FCA giving reasons for the suspension and notify any home state regulator in jurisdictions where units in the relevant Fund are available for sale.

The Manager will notify unitholders of the suspension as soon as practicable after the suspension commences and formally review the suspension with the Trustee at least every 28 days, keeping the FCA informed. The Manager will resume issue and redemption in units after giving the requisite notice in accordance with the COLL Sourcebook. The Manager will publish sufficient details on its website to keep unitholders appropriately informed about the suspension including, if known, its likely duration.

(g) Conversion and Switching rights

Where more than one class of unit is in issue in a Fund, the Manager may permit a unitholder to:

(i) Convert all or some of the units held from one class in a Fund (the "Original Units") for units of another class in the same Fund ("New Units"), subject to minimum investment and eligibility requirements. When units are converted, the number of New Units to be issued will be determined by applying a 'conversion factor' to the value of the Original Units held to determine the number of New Units to be issued. The conversion factor applicable to such unit conversion is available on request from the Manager in writing or by telephoning the Investor Services Team on 0800 445522, lines are normally open 8:30 am to 6:00 pm and for investor protection calls are normally recorded; or

(ii) Switch all or some of the units held from one class in that Fund (the "Original Units") into units of another Fund within the same umbrella or another BlackRock fund (the "New Units"). On a switch of units, the number of New Units issued will be determined by reference to the respective prices of New Units and Original Units at the valuation point applicable when the Original Units are redeemed and the New Units are issued. Any such exchange is treated as a redemption and sale.

Unitholders must provide written instructions to convert or switch holdings to the Manager which, in the case of joint unitholders, must be signed by all joint unitholders before a conversion or switch is effected. Conversions and switches are subject to the minimum investment and eligibility requirements. No conversion or switch will be made during any period when the right of unitholders to require a redemption of units is suspended.

The Manager, at its discretion, may make a charge for a conversion between units of the relevant Fund or a switch from the relevant Fund into other BlackRock funds as set out in Appendix 2. Any such charge does not constitute a separate charge payable by a unitholder but is only the application of any redemption charge on the Original Units and any preliminary charge of the New Units. Currently, such a charge will not apply in the case of a conversion of unit classes within the same Fund. Currently the Manager charges a fee on switches only. This charge is equivalent to the preliminary charge for the Fund and unit class into which the unitholder is switching. The Manager at its discretion may discount this switching fee and pay all or part of such a discount to an intermediary.

A conversion or switch of units will only be accepted by the Manager if the conditions for holding the New Units are met, such as meeting the minimum holding. A switch between the relevant Fund and another Fund or other BlackRock funds will only be effected on a Business Day when both funds have valuation points.

Unitholders subject to UK tax should note that a switch of units between Funds (but not between unit classes in the same Fund) should be treated as a disposal for the purposes of Capital Gains Tax. Conversions between different unit classes in the same Fund should not give rise to a disposal for UK Capital Gains Tax purposes. Unitholders should seek their own professional tax advice in this regard.

A unitholder who switches units in one Fund for units in any other Fund will not be given a right by law to withdraw from or cancel the transaction.

Class H units+ are only available at the Manager's discretion and to unitholders who have entered into a separate agreement with the Manager, the Principal Distributor or one of their affiliates in relation to the holding of Class H units. Class X units* are only available to unitholders who have entered into a separate agreement with the Manager, the Principal Distributor or one of their affiliates in relation to the holding of Class X units.

A unitholder in one Fund may exchange units for units in another Fund within the same umbrella. Any such exchange is treated as a redemption and sale. A charge may be made when switching units in one Fund for units in another Fund.

(h) Mandatory redemption, cancellation, switching, conversion or transfer of units

The Manager may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no units in any Fund are acquired or held by any person in circumstances ("relevant circumstances") which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or which would (or would if other units were acquired or held in like circumstances) result in any Fund incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); and, in this connection, the Manager may reject at its discretion any subscription for, sale, switch, conversion or transfer of units.

In particular, the Manager has determined that US Persons are not permitted to own units. The term "US Person" means any US resident or other person specified in Regulation S under the United States Securities Act 1933, as amended from time to time and as may be further supplemented by the Manager.

All US residents and citizens should note the requirements of the Foreign Account Tax Compliance Act ('FATCA'), please see paragraph 20 below.

If it comes to the notice of the Manager that any units ("affected units") have been acquired or are being held in each case whether beneficially or otherwise in any of the relevant circumstances referred to above or if it reasonably believes this to be the case the Manager may give notice to the holder of the affected units requiring the unitholder to transfer such units to a person who is qualified or entitled to own the units in question or to give a request in writing for the redemption or cancellation of such units. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer his units to a person qualified to hold the same, or establish to the satisfaction of the Manager (whose judgement shall be final and binding) that he and any person on whose behalf he holds the affected units are qualified and entitled to hold the units, he shall be

+ Class H units are available as set out in Appendix 1.

* Class X units are available as set out in Appendix 1.

deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of the affected units.

(i) Unpresented cheques / Unclaimed or other balances

Where, upon the redemption of units, the proceeds are transferred to a unitholder by cheque and that unitholder subsequently fails to present the cheque for payment, the proceeds will be transferred to a client money account after a period of 6 months. Reasonable efforts will be made to contact unitholders at the address reflected in the Manager's records in order to facilitate payment of any outstanding balance due. However, if the Manager is unable to contact a unitholder, after a period of 6 years, such amounts shall be added to the capital property of the relevant Fund(s). No interest will be payable in respect of amounts relating to unpresented cheques or other balances held or transferred as described above. By entering into a contract with the Manager, unitholders consent to this course of action.

Any other amounts received by the Manager during the course of any normal business transaction will, where applicable, be held in accordance with the FCA rules in respect of client money. No interest will be payable to unitholders in respect of any client money balances held.

BlackRock will benefit from interest earned on any balances held in client money accounts. No interest is paid to unitholders in respect of amounts relating to individual transactions.

(j) Excessive Trading Policy

The Funds do not knowingly allow investments that are associated with excessive trading practices as such practices may adversely affect the interests of all unitholders. Excessive trading includes individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by excessively frequent or large trades.

Unitholders should, however, be aware that the Funds may be utilised by certain investors for asset allocation purposes or by structured product providers, which may require the periodic re-allocation of assets between Funds. This activity will not normally be classed as excessive trading unless the activity becomes, in the opinion of the Manager, too frequent or appears to follow a timing pattern.

As well as the general power of the Manager to refuse subscriptions, switches, conversions or transfers at their discretion, powers exist in other sections of this Prospectus to ensure that unitholder interests are protected against excessive trading. These include:

(i) in-specie redemptions – Section 8 paragraph (e); and

(ii) conversion and switching rights – Section 8 paragraph (g).

In addition, where excessive trading is suspected, the Funds may:

(i) combine units that are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in excessive trading practices. Accordingly, the Manager reserves the right to reject any application for switches, conversions, transfers and/or subscription of units from investors whom they consider to be excessive traders; and

(ii) levy a redemption charge of 2 per cent of the redemption proceeds to unitholders whom the Manager, in its reasonable opinion, suspects of excessive trading. This charge will be made for the benefit of the relevant Fund, and affected unitholders will be notified in their contract notes if such a fee has been charged.

(k) Compliance with applicable laws and regulation

As a result of any applicable laws and regulations, including but not limited to, relevant anti-money laundering legislation, (including but not limited to sanctions administered by legislation, sanctions administered by United States Office of Foreign Asset Control, European Union and United Nations), tax laws and regulatory requirements, unitholders may be required, in certain circumstances, to provide additional documentation to confirm their identity or provide other relevant information pursuant to such laws and regulations, as may be required from time to time, even if an existing unitholder. Any information provided by unitholders will be used only for the purposes of compliance with these requirements and all documentation will be duly returned to the relevant unitholder. Until the Manager receives the requested documentation or additional information, there may be a delay in processing any subsequent redemption request and the Manager reserves the right in all cases to withhold redemption proceeds until such a time as the required documentation or additional information is received. Any such redemption monies will be held by the Manager in accordance with FCA rules on client money with a third party bank. No interest will be paid during the period such monies are treated as client money.

Alternatively, the Manager may employ a search of electronic data reference sources in order to access information held electronically concerning the identity of a unitholder, including information held by certain government and consumer agencies. By completing the relevant application forms or entering into a contract with the Manager, unitholders acknowledge that the Manager may at any time initiate a search of information held electronically in order to verify identity.

9. Valuation

The Manager calculates prices at which unitholders buy and sell units in accordance with 'Appendix 4 – Valuation and Pricing', as permitted by the COLL Sourcebook. The basis of the calculation is the value of the underlying assets of the Fund. The Funds are valued both on an issue basis and on a cancellation basis, from which the 'buying' price (offer) and 'selling' price (bid) are determined, as detailed within Appendix 4. The difference between these two prices is known as the spread. The maximum permitted spread may be wider than the spread the Manager normally quotes for dealing, but the Manager may deal at any prices calculated in accordance with Appendix 4 and notified to the Trustee. The maximum offer price may not exceed the total of the issue price and the preliminary charge. The minimum bid price may not be less than the cancellation price. All the Funds are valued on each Business Day.

The Manager may at its discretion implement fair value pricing policies in respect of any of the Funds. Fair value pricing will only apply where the Manager has reasonable grounds to believe that no reliable price exists for one or more underlying securities at a valuation point or the most recent price available does not reflect the Manager's best estimate of the value of a security at the valuation point. In these circumstances the Manager may in its discretion value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment. Circumstances which may give rise to a fair value price being used include instances where there is no recent trade in the security concerned; or the occurrence of a significant event since the most recent closure of the market where the price of the security is taken. A significant event is one that means, in the Manager's judgement, the most recent price of a security or a basket of securities is materially different to the price that it is reasonably believed would exist at the valuation point had the relevant market been open. For this purpose, the Manager may utilise pre-determined trigger levels which take into account the materiality of any variance. The Manager's decision to use fair value pricing will also depend on the type of authorised fund concerned, the securities involved and the basis and reliability of the alternative price used.

The Manager may suspend dealing in any Fund if it cannot obtain prices on which to base a valuation (See section 7(f)). The Manager may, with the Trustee's prior agreement or if the Trustee requires it, suspend the repurchase of units in accordance with the COLL Sourcebook, as described above under the heading "Suspension".

The Manager's annual management charge (which is taken into account in valuations) is based upon values midway between the issue and cancellation basis.

Valuations are normally taken at a valuation point of 12.00 noon[3]. The Manager may declare additional valuation points for any Fund at its discretion and with the Trustee's agreement. At a valuation point the Manager calculates unit prices, using the most recent prices of the underlying securities that it can reasonably obtain. The objective is to give an accurate value of the Fund as at the valuation point. The base currency of each Fund is sterling.

10. Prices of Units and Historic Performance Data

The Manager will, on the completion of each valuation, advise the Trustee of the issue and cancellation prices. These are the prices which the Manager has to pay to the Trustee for the issue of units or which the Manager will receive from the Trustee upon the cancellation of units. The cancellation price last notified to the Trustee is available from us on request. The Manager deals in units as principal and accordingly the offer and bid prices that it publishes from time to time are the prices that are relevant to unitholders or to potential unitholders. These prices must not be greater than the applicable issue price on that day plus the preliminary charge, nor less than the cancellation price. The Manager will notify the Trustee of the maximum issue price and minimum cancellation price at which it will deal.

Historic performance data (where available) is contained in the key investor information document for the relevant unit class of the relevant Fund, which is available on request from the Manager. For up to date information visit the Manager's website www.blackrock.co.uk or speak to its Investor Services Team on 0800 445522, lines are open between 8.30am to 6.00pm. Telephone calls may be recorded by the Manager.

11. Policy on Pricing

When units are purchased through the post, by telephone, by fax or (when available) by electronic communication, they will be sold on a forward pricing basis at the offer price calculated at the next valuation point (12.00 noon) after receipt of purchase instructions so long as these were received prior to the Fund's dealing cut off time (where applicable).

When units are sold back to the Manager, units will be redeemed on a forward pricing basis at the bid price calculated at the next valuation point (12.00 noon) following receipt of a redemption instruction so long as these were received prior to the Fund's dealing cut off time (where applicable).

If a purchase or sale order is for a total amount of £15,000 or more, this is a "large deal" and the Manager reserves the right to execute an order at a price higher than the published offer price or lower than the published bid price (as applicable). Should this prove to be the case, the price paid when buying units will not be higher than the maximum offer price, or when redeeming units, less than the cancellation price.

12. Minimum Investment/Holdings

In the case of Class A units (as available), the minimum initial investment and minimum value of a holding in a Fund is £500. Unitholders may make subsequent investments for Class A units in a Fund in amounts of £100 or more.

In the case of Class D units (as available), the minimum initial investment and minimum value of a holding in a Fund is £100,000. Unitholders may make subsequent investments for Class D units, in a Fund in amounts of £100 or more.

In the case of Class H units[+] (as available), the minimum initial investment and minimum value of a holding in a Fund is £50,000,000. Unitholders may make subsequent investments for Class H units in a Fund in amounts of £100 or more.

In the case of Class L units (as available), the minimum initial investment and minimum value of a holding in a Fund is £1,000,000. This applies to registered unitholders and beneficial unitholders in respect of nominee arrangements. Unitholders may make subsequent investments for Class L units, in a Fund in amounts of £100 or more.

In the case of Class X units* (as available), the minimum initial investment and minimum value of a holding in a Fund is £10,000,000. Unitholders may make subsequent

[3] In certain circumstances, for example, in the unlikely event of operational systems failure, or in exceptional market conditions, dealing in the Funds may not be possible at the times stated.

[+] Class H units are available as set out in Appendix 1.

* Class X units are available as set out in Appendix 1.

investments for Class X units in a Fund in amounts of £100 or more.

For the avoidance of doubt, Class A units and Class D units (as available) are intended for investment by retail investors (Class D typically through an intermediary) and Class L units are intended for investment by institutional style investors who are able to meet the minimum investment and holding criteria for that class. Nominee arrangements should not be used as a means of circumventing the investment minima for Class L units where otherwise the investors investing via the nominee arrangement would not be able to independently meet the investment minimum and holding criteria. It should be noted that pursuant to Section 7(a), the Manager reserves the right to switch the entire holding to a more appropriate class of units (where available) or redeem the entire holding. In such circumstances, the Manager is not obliged to provide prior notice and the unitholder bears the consequent risk including that of market movement.

In respect of Class A units, Class D units, Class H units+, Class L units and Class X units* unitholders may make withdrawals of £250 or more as set out in Appendix 1. When unitholders make a withdrawal, conversion, switch or transfer, the remaining balance of their holding must be at least equal to the minimum investment otherwise the Manager may at its discretion arrange to sell the holding and remit the proceeds to the relevant unitholder. If, as a result of a withdrawal, conversion, switch or transfer a small balance of units meaning an amount of £2 or less is held, the Manager shall have absolute discretion to realise this small balance and donate the proceeds to a UK registered charity selected by the Manager.

The BlackRock Savings Plan is available for investment into Class A units (as available) only. Unitholders must invest at least £50 per Fund per month. Unitholders may stop monthly payments at any time by cancelling the direct debit instruction with their bank and informing the Manager in writing. Provided a balance of more than £500 remains, a unitholder's account can be kept open. If the balance is less than these levels, the units will be redeemed at the bid price next calculated after the Manager has received the unitholder's instructions and the Manager will send the proceeds to the unitholder within three Business Days. If, as a result of a withdrawal, conversion, switch or transfer, the balance of a unitholder's account is less than £500, the Manager will also sell the holding for the unitholder, unless the unitholder notifies the Manager of its intention to continue making regular monthly payments.

Minimum investment and holding amounts may be waived at the Manager's discretion.

13. Commission and Rebates

If Class A units (as available) are purchased through an authorised intermediary, the Principal Distributor (as authorised by the Manager) may, at its discretion, pay initial or renewal commissions to authorised intermediaries, subject to FCA rules.

The amount of initial or renewal commission paid on a purchase will be shown on the relevant contract note sent to a unitholder. The Manager will also advise unitholders of any initial or renewal commission to be paid in respect of a purchase, upon request. If unitholders switch an investment from one Fund to another Fund or from one Fund into another BlackRock fund, the Manager normally allows a discount on the price at which units are purchased and/or pay a reduced commission to any intermediary concerned.

No initial or renewal commissions are paid in respect of Class D units, Class H units+, Class L units or Class X units*.

Class H units+ are only available at the Manager's discretion and to unitholders who have entered into a separate agreement with the Manager, the Principal Distributor or one of their affiliates in relation to the holding of Class H units. Class X units* are only available to unitholders who have entered into a separate agreement with the Manager, the Principal Distributor or one of their affiliates in relation to the holding of Class X units. The Manager or Principal Distributor (as authorised by the Manager) may also, at its discretion, waive any preliminary charge, in whole or in part, in respect of an application for Class A units, Class D units, Class H units or Class X units, or, subject to FCA rules, determine to pay a rebate in respect of the payment of annual management charges in respect of any holding of Class A units and Class L units in certain funds to certain authorised intermediaries. The Principal Distributor currently pays rebates in respect of holdings in certain funds by certain investors and authorised intermediaries including various associated companies in the BlackRock Group.

Subject to FCA rules, rebates of annual management charges may be agreed on certain Funds at the Manager's discretion and subject to the nature of the business provided by third party intermediaries to end investors. Rebates will not exceed the published amount of annual management charge payable in respect of those Funds.

The terms of any rebate will be agreed between the Principal Distributor and the authorised intermediary from time to time. If so required by applicable FCA rules, the authorised intermediary shall disclose to any of its underlying clients the amount of any rebate of annual management charge it receives from the Principal Distributor and the Manager shall also disclose to unitholders, upon request, details of any rebate paid by the Principal Distributor to an authorised intermediary in connection with a holding of units, where the authorised intermediary has acted on behalf of that unitholder.

The Manager may, at its discretion, discount any switching fee and pay some or all of the discount to an intermediary, subject to FCA Rules.

Payment of any rebate of annual management charge or of the preliminary charge ("commission") shall cease on the entry into force of any legislation and/or regulation prohibiting the payment of commission from product providers to counterparties, to the extent that such legislation and/or regulation affects the counterparties activities in any particular jurisdiction or and/or sale of particular Funds.

MiFID II introduces restrictions on the receipt and retention of fees, commissions, monetary and non-

+ Class H units are available as set out in Appendix 1.

+ Class H units are available as set out in Appendix 1.

* Class X units are available as set out in Appendix 1.

+ Class H units are available as set out in Appendix 1.

monetary benefits ("inducements") where firms, regulated under MiFID II, provide clients with portfolio management services or independent investment advice. It also introduces obligations where firms provide clients with other services (such as execution services or restricted investment advice). In such cases, where a firm receives and retains an inducement, it must ensure that the receipt and retention of the inducement is designed to enhance the quality of the relevant service to the client and is properly disclosed. Where authorised intermediaries are subject to MiFID II and receive and/or retain any inducements, they must ensure that they comply with all applicable legislation, including, those introduced by MiFID II.

In accordance with the FCA's Retail Distribution Review, neither the Manager nor the Principal Distributor are permitted to pay initial or renewal commission or rebate of the annual management charge, to authorised intermediaries or to third party distributors or agents in respect of any subscriptions for, or holdings of, units for any UK retail investors in respect of investments made as a result of the investor having received a personal recommendation on or after 31 December 2012.

14. Manager's Box

The Manager will run a box (i.e. hold units in the Funds in its own accounts). The Manager pays any profit made on the issue of units, or on the re-issue or cancellation of any units redeemed into the relevant Fund. The current policy of the Manager is to hold only sufficient numbers of units to facilitate the efficient operation of the Funds and of the issue and cancellation of units. The Manager is not obliged to provide any notice to unitholders of a change in such policy.

15. Publication of Prices and Yields

The previous dealing day's bid and offer prices of units and the current estimated annual yields of the Funds, as well as the preliminary charge applicable for each Fund, will be made publicly available in a variety of sources but primarily through our website, www.blackrock.co.uk, or by calling our Investor Services Team on 0800 445522, lines are open between 8.30am and 6.00pm. Telephone calls may be recorded by the Manager. Please note that the published prices are for information only and these prices may not be the price obtained when units are dealt. The Manager is not responsible for errors in publication or for non-publication. The cancellation price in the relevant Fund or Funds will be available, from the Manager, on request.

The units in the Funds are not listed or dealt in or on any investment exchange.

16. Classes of Units

The unit classes currently available in each Fund are set out in Appendix 1. Where unitholders invest via a BlackRock Savings Plan, only Class A units may be held. Each type of unit represents a beneficial interest in undivided shares in the property of the Fund as detailed below. Each unit, Accumulation or Income, represents one undivided share in the property of a Fund. Each undivided unit ranks pari passu with other undivided units in a Fund. The nature of the rights represented by units is that of a beneficial interest under a Trust. Unitholders are not liable for the debts of a Fund.

If a unitholder holds Income units in a Fund, it will receive a distribution net of any applicable charges but gross of any applicable tax, payable monthly, quarterly, half-yearly or annually according to the distribution policy of the relevant Fund, details of which are set out in Appendix 1. This distribution will be paid either by cheque or directly into the unitholder's bank account. This distribution is calculated by multiplying the number of Income units held on the last day of the relevant accounting period, by the relevant rate (as applicable) of distribution declared by the Manager. After a period of six years from the date of payment, any unclaimed distribution will be added to the capital property of the Fund and may be forfeited. No interest will be paid on unclaimed distribution monies.

If a unitholder holds Accumulation units, there will be no actual payment of income. The income attributable to the units will remain as property of the relevant Fund and the number of undivided shares represented by each Accumulation unit will be increased accordingly. The number of Accumulation units remains the same.

The Manager may adopt a policy of smoothing interim distributions for a Fund if it considers that this is in the interest of unitholders of the Fund and consistent with the objective and policy of the Fund.

The Trust Deed of the Funds also permits further classes of units to be made available other than those currently available. Any such class of unit may vary according to whether it accumulates or distributes income or attracts different fees and expenses, and as a result of this, monies may be deducted from classes in unequal proportions. In these circumstances, the proportionate interests of the classes of units within a Fund will be adjusted in accordance with the provisions of the Trust Deed of each of the Funds relating to proportion accounts. The Trustee may create one or more classes of units as instructed from time to time by the Manager. The creation of additional unit classes will not result in any material prejudice to the interests of holders of units in existing unit classes.

17. Evidence of Title

No certificates are issued for the Funds. Should any unitholder, for any reason, require evidence of his title to units, the Manager shall, upon unitholder proof of identity as it shall reasonably require, supply the relevant unitholder with a certified copy of the relevant entry in the Register relating to its holding of units.

Holdings in respect of investments via the BlackRock Savings Plan will be registered in the name of the unitholder. The Manager will send an initial acknowledgement, followed by half-yearly statements.

18. Investment Objective and Policy – Investment Restrictions

Details of the investment objective and policy of each of the Funds is set out in Appendix 1.

Details of the investment restrictions applicable to a particular Fund are set out in Appendix 3.

Benchmark Indices[4]

The constituents of a Fund's Benchmark Index may change over time. Potential investors in a Fund may obtain a breakdown of the constituents of the relevant Benchmark Index from the website of the index provider (as referred to in the relevant Benchmark Index description).

There is no assurance that a Fund's Benchmark Index will continue to be calculated and published on the basis described in this Prospectus or that it will not be amended significantly. The past performance of each Benchmark Index is not a guide to future performance.

The Manager may, if it considers it in the interests of any Fund to do so and with the consent of the Trustee and in accordance with COLL, substitute another index for the Benchmark Index in circumstances such as the following:

(i) the weightings of constituent securities of the Benchmark Index would cause the Fund (if it were to follow the Benchmark Index closely) to be in breach of the COLL Sourcebook and/or any tax law or tax regulations that the Manager may consider to have a material impact on any Fund);

(ii) the particular Benchmark Index or index series ceases to exist;

(iii) a new index becomes available which supersedes the existing Benchmark Index;

(iv) a new index becomes available which is regarded as the market standard for investors in the particular market and/or would be regarded as of greater benefit to the unitholders than the existing Benchmark Index;

(v) it becomes difficult to invest in stocks comprised within the particular Benchmark Index;

(vi) the Benchmark Index provider increases its charges to a level which the Manager considers too high;

(vii) the quality (including accuracy and availability of data) of a particular Benchmark Index has, in the opinion of the Manager, deteriorated;

(viii) a liquid futures market in which a particular Fund is investing ceases to be available; or

(ix) where an index becomes available which more accurately represents the likely tax treatment of the investing Fund in relation to the component securities in that index.

Where such a change would result in a material difference between the constituent securities of the Benchmark Index and the proposed Benchmark Index, unitholder approval will be sought in advance where possible.

Any change of a Benchmark Index will be cleared in advance with the FCA, reflected in the revised Prospectus documentation and will be noted in the annual and half-yearly reports of the relevant Fund issued after any such change takes place. In addition, any material change in the description of a Benchmark Index will be noted in the annual and half-yearly reports of the relevant Fund or other unitholder notification.

The Manager may change the name of a Fund, particularly if its Benchmark Index, or the name of its Benchmark Index, is changed. Any change to the name of a Fund will be approved in advance by the FCA and the relevant documentation pertaining to the relevant Fund will be updated to reflect the new name.

Any of the above changes may have an impact on the tax status of a Fund in a jurisdiction. Therefore, it is recommended that the unitholders should consult their professional tax adviser to understand any tax implications of the change on their holdings in the jurisdiction in which they are resident.

The Funds (except for the BlackRock Balanced Managed Fund which is not an index tracking fund) are categorised as replicating funds or non-replicating funds.

Replicating Funds

Replicating Funds seek to replicate as closely as possible the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in similar proportions to their weightings in the Benchmark Index and in doing so will apply the investment limits set out in Appendix 3. It may not, however, always be possible or practicable to purchase each and every constituent of the Benchmark Index in accordance with the weightings of the Benchmark Index, or doing so may be detrimental to unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Benchmark Index, or in circumstances where a security in the Benchmark Index becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions that apply to the relevant Fund but not to the Benchmark Index).

Non-replicating Funds

Non-replicating Funds may, or may not, hold every security or the exact concentration of a security in its Benchmark Index, but will aim to track its Benchmark Index as closely as possible and may use optimisation techniques to achieve their investment objective. The extent to which a Fund uses optimisation techniques will depend on the nature of the constituents of its Benchmark Index, the practicalities and cost of tracking the relevant Benchmark Index and such use is at the discretion of the Investment Manager. For example, a Fund may use optimisation techniques extensively and may be able to provide a return similar to that of its Benchmark Index by investing only in a relatively small number of the constituents of its benchmark index. The Fund may also hold some securities which provide similar performance (with matching risk profile) to certain securities that make up the relevant Benchmark Index even if such securities are not themselves constituents of the Benchmark Index and may exceed the number of constituents of the Benchmark Index. The use of optimisation techniques, implementation of which is subject to a number of constraints detailed in Appendix 3, may not produce the intended results.

Optimisation techniques are techniques used by a Fund to achieve a similar return to its Benchmark Index. These techniques may include the strategic selection of certain securities that make up the Benchmark Index or other

[4] This is not applicable to the BlackRock Balanced Managed Fund as it is not an index tracking fund.

securities which provide similar performance to certain constituent securities. They may also include the use of derivatives.

The table below sets out whether a Fund is a replicating or non-replicating Fund:

Fund[5]	Replicating or non-replicating
iShares Continental European Equity Index Fund (UK)	Replicating
iShares Corporate Bond Index Fund (UK)	Non-replicating
BlackRock Corporate Bond 1-10 Year Fund	Non-replicating
iShares Developed Asia Pacific Ex Japan Equity Index Fund (UK)	Replicating
iShares Emerging Markets Equity Index Fund (UK)	Non-replicating
iShares Global Property Securities Equity Index Fund (UK)	Non-replicating
iShares Index Linked Gilt Index Fund (UK)	Non-Replicating
iShares Japan Equity Index Fund (UK)	Replicating
iShares Mid Cap UK Equity Index Fund (UK)	Replicating
iShares North American Equity Index Fund (UK)	Replicating
iShares Over 15 Years Corporate Bond Index Fund (UK)	Non-replicating
iShares Over 15 Years Gilts Index Fund (UK)	Non-replicating
iShares Overseas Corporate Bond Index Fund (UK)	Non-replicating
iShares Overseas Government Bond Index Fund (UK)	Non-replicating
iShares Pacific Ex Japan Equity Index Fund (UK)	Replicating
iShares 100 UK Equity Index Fund (UK)	Replicating
iShares 350 UK Equity Index Fund (UK)	Replicating
iShares UK Equity Index Fund (UK)	Replicating
iShares UK Gilts All Stocks Index Fund (UK)	Non-replicating
iShares US Equity Index Fund (UK)	Replicating
iShares World Ex UK Equity Index Fund (UK)[6]	Replicating

Anticipated Tracking Error of the Funds[7]

Tracking error is the annualised standard deviation of the difference in monthly returns between a Fund and its Benchmark Index. Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant Fund and the returns of its Benchmark Index. One of the primary drivers of tracking error is the difference between fund holdings and index constituents. Cash management and trading costs from rebalancing can also have an impact on tracking error as well as the return differential between the Fund and the Benchmark Index. The impact can be either positive or negative depending on the underlying circumstances.

A Fund's tracking error may be affected if the times at which a Fund and its Benchmark Index are priced are different. Whilst the majority of Funds are valued at midday, the Benchmark Indices of the BlackRock Corporate Bond 1-10 Year Fund, iShares Overseas Corporate Bond Index Fund (UK) and iShares Overseas Government Bond Index Fund (UK) are valued at the time the relevant markets close for business, and therefore the tracking error of these Funds at their Valuation Point may appear to be higher than if the Funds and their respective Benchmark Indices were priced at the same time. This is not the case, however, for the Equity Funds or the iShares Corporate Bond Index Fund (UK), iShares Index Linked Gilt Index Fund (UK), iShares UK Gilts All Stocks Index Fund (UK) and iShares Over 15 Years Gilts Index Fund (UK) since the Benchmark Indices of each of these Funds are valued at the same time as the Funds' Valuation Point.

(a) *BlackRock Corporate Bond 1-10 Year Fund, iShares Overseas Corporate Bond Index Fund (UK), iShares Over 15 Years Corporate Bond Index Fund (UK) and iShares Overseas Government Bond Index Fund (UK)*

Taking into account the paragraph above relating to the impact of tracking error on a Fund where the time at which the Fund and its Benchmark Index are priced are different and in order to provide a more accurate reflection of the way in which those Funds are managed, the table below displays the anticipated tracking error of the BlackRock Corporate Bond 1-10 Year Fund, iShares Overseas Corporate Bond Index Fund (UK), iShares Over 15 Years Corporate Bond Index Fund (UK) and iShares Overseas Government Bond Index Fund (UK) , in normal market conditions, using two different performance data points. The first column in the table displays the anticipated tracking error of each Fund based on the Fixed Income Fund's performance at the midday Valuation Point (at which a formal NAV and dealing price is calculated) compared against the Benchmark Index performance measured at close of

5 This is not applicable to the BlackRock Balanced Managed Fund as it is not an index tracking fund.

6 This Fund has not yet launched.

7 This is not applicable to the BlackRock Balanced Managed Fund as it is not an index tracking fund.

business. Due to the discrepancy in timing between the Valuation Point and the Benchmark Index's closing price (as described above), there may be movements in the Benchmark Index which are being tracked by the relevant Fixed Income Fund which have not been captured within the anticipated tracking error figure. Accordingly, in order to provide a truer reflection of the way in which the Funds are managed, the figures shown in the second column are based on the end of month close of business informal valuation[8] of each Fund as against the Benchmark Index performance measured at close of business:

Fund	Anticipated tracking error calculated using performance of the Fund at the Valuation Point against the closing performance of the Benchmark Index (%)	Anticipated tracking error calculated using informal performance of the Fund at end of month close of business as against the Benchmark Index performance measured at close of business (%)[6]
BlackRock Corporate Bond 1-10 Year Fund	Up to 1.50	Up to 0.45
iShares Over 15 Years Corporate Bond Index Fund (UK)	Up to 0.30	Up to 0.30
iShares Overseas Corporate Bond Index Fund (UK)	Up to 4.00	Up to 0.50
iShares Overseas Government Bond Index Fund (UK)	Up to 4.00	Up to 0.45

(b) iShares Corporate Bond Index Fund (UK), iShares Index Linked Gilt Index Fund (UK), iShares UK Gilts All Stocks Index Fund (UK) and iShares Over 15 Years Gilts Index Fund (UK)

The table below displays the anticipated tracking error, in normal market conditions, of the iShares Corporate Bond Index Fund (UK), iShares Index Linked Gilt Index Fund (UK), iShares UK Gilts All Stocks Index Fund (UK) and iShares Over 15 Years Gilts Index Fund (UK) using two different performance data points. The first column in the table displays the anticipated tracking error of each Fund based on the Fund's performance at the midday Valuation Point (at which a formal NAV and dealing price is calculated) compared against the Benchmark Index performance. Given the recent inception of the relevant Benchmark Indices, sufficient performance history data is currently unavailable and so there is no data to be used as part of the anticipated tracking error calculation. Accordingly, in order to provide a truer reflection of the way in which the Funds are managed, the figures shown in the second column are based on the end of month close of business informal valuation[9] of each Fund as against the Benchmark Index performance measured at close of business:

Fund	Anticipated tracking error calculated using performance of the Fund at the Valuation Point against the performance of the Benchmark Index (%)	Anticipated tracking error calculated using informal performance of the Fund at end of month close of business as against the Benchmark Index performance measured at close of business (%)
iShares Corporate Bond Index Fund (UK)	0.40%	0.40%
iShares Index Linked Gilt Index Fund (UK)	1.00%	0.30%
iShares UK Gilts All Stocks Index Fund (UK)	0.60%	0.15%
iShares Over 15 Years Gilts Index Fund (UK)	0.60%	0.15%

Equity Funds

The table below displays the anticipated tracking error, in normal market conditions, of each of the Equity Funds

8 Please note that the informal valuation is not calculated in the same way as the valuation of Units in the Funds, as set out in Section 9 (Valuation) of this prospectus. As such, investors cannot subscribe for units, or redeem their units, in a Fixed Income Fund at the informal valuation of the Fixed Income Fund at end of month close of business. Units in the Fixed Income Funds will be valued in accordance with Section 9 (Valuation) of this prospectus and will be priced in accordance with Section 11 (Policy on Pricing). For further information please refer to "Tracking Error" in Section 19, Risk Considerations.

9 Please note that the informal valuation is not calculated in the same way as the valuation of Units in the Funds, as set out in Section 9 (Valuation) of this prospectus. As such, investors cannot subscribe for units, or redeem their units, in a Fixed Income Fund at the informal valuation of the Fixed Income Fund at end of month close of business. Units in the Fixed Income Funds will be valued in accordance with Section 9 (Valuation) of this prospectus and will be priced in accordance with Section 11 (Policy on Pricing). For further information please refer to "Tracking Error" in Section 19, Risk Considerations.

listed therein. As mentioned above, a Fund's tracking error may be affected if the times at which a Fund and its Benchmark Index are priced are different. Although for the Equity Funds the pricing point between each Fund and its Benchmark Index is the same, the underlying markets on which the equity securities are traded do not close at the same time as this pricing point and so there is a period of time between certain markets' close and the fund pricing time during which equity prices can move considerably. In such circumstances the Manager may apply a fair value accounting policy, as described in section 9 above. Such fair value pricing will affect the tracking error of the Equity Funds as the relevant Benchmark Indices do not currently implement a fair value accounting policy. In order to provide a more accurate reflection of the way in which the Equity Funds are managed, the table below displays the anticipated tracking error of the Equity Funds, in normal market conditions, using two different performance data points. The first column in the table displays anticipated tracking error calculated using actual prices of the Equity Fund at the Valuation Point including fair value pricing, against the midday performance of the Benchmark Index and the second column shows the estimated tracking with no fair value pricing.

Fund	**Anticipated tracking error calculated using actual prices of the Equity Fund at the Valuation Point including fair value pricing, against the midday performance of the Benchmark Index (%)**	**Estimated tracking error with no fair value pricing (%)**
iShares Continental European Equity Index Fund (UK)	Up to 0.30	Up to 0.30
iShares Emerging Markets Equity Index Fund (UK)	Up to 1.30	Up to 1.30
iShares Global Property Securities Equity Index Fund (UK)	Up to 1.50	Up to 0.80
iShares Japan Equity Index Fund (UK)	Up to 3.50	Up to 0.25
iShares Mid Cap UK Equity Index Fund (UK)	Up to 0.25	Up to 0.25
iShares North American Equity Index Fund (UK)	Up to 2.50	Up to 0.20
iShares Pacific Ex Japan Equity Index Fund (UK)	Up to 0.75	Up to 0.50
iShares 100 UK Equity Index Fund (UK)	Up to 0.20	Up to 0.20
iShares 350 UK Equity Index Fund (UK)	Up to 0.25	Up to 0.25
iShares UK Equity Index Fund (UK)	Up to 0.20	Up to 0.20
iShares US Equity Index Fund (UK)	Up to 2.50	Up to 0.20
iShares Developed Asia Pacific Ex Japan Equity Index Fund (UK)	Fund not yet launched.	

Fund	Anticipated tracking error calculated using actual prices of the Equity Fund at the Valuation Point including fair value pricing, against the midday performance of the Benchmark Index (%)	Estimated tracking error with no fair value pricing (%)
iShares World Ex UK Equity Index Fund (UK)	Fund not yet launched.	

Other factors that may also affect the anticipated tracking error of the Funds are:

i) Funds may also have a tracking error due to withholding tax suffered by the Fund on any income received from its investments. The level and quantum of tracking error arising due to withholding taxes depends on various factors such as any reclaims filed by the Fund with various tax authorities, any benefits obtained by the Fund under a tax treaty or any stock lending activities carried out by the Fund.

ii) The tracking error for Funds that invest in emerging markets may be impacted by the fact that the Fund may have restricted access in some markets, which can lead to more volatile active returns. This is applicable to the iShares Emerging Markets Equity Index Fund (UK).

Unitholders should note that the actual performance of a Fund will not necessarily be aligned with the anticipated tracking error for the Fund as detailed in the table above. This is because anticipated tracking error is calculated on the basis of historical data and therefore will not necessarily capture factors which may positively or negatively impact a Fund's actual performance versus the Benchmark Index. Such factors might include, by way of example, an increase in income generated by way of stock lending or a new tax levied on securities held by a Fund. The anticipated tracking error of each Fund is not a guide to future performance.

19. Risk Considerations

General

The Funds are subject to the risk that all equity and fixed interest securities funds are subject to i.e. fluctuations in capital value which can be influenced by factors such as political and economic news, corporate earnings reports, demographic trends and catastrophic events. While over a long period it might be expected that a Fund will produce positive total returns, in any particular period losses may be suffered. The Manager cannot guarantee that it will achieve the objectives set out for any Fund.

Unitholders should always bear in mind that the price of units in any Fund and the income from them can go down as well as up and are not guaranteed. An investment in a Fund is not intended to be a complete investment programme. The Funds may invest in currencies other than sterling. As a result, changes in the rates of exchange between currencies may cause the value of units in the relevant Funds to go up or down. Accordingly, unitholders may not receive back the amount invested.

Where cancellation rights apply to a contract any investor exercising such cancellation rights will not obtain a full refund of the money paid (except regular savers who will obtain a full refund) on the making of the contract if the value of the investment falls before the cancellation notice is received by the Manager as an amount equal to that fall will be deducted from any refund made to the investor.

An investment in a Fund is not protected against the effects of inflation.

Fund Liability Risk

The Trust is structured as an umbrella fund with segregated liability between its Funds. The assets of one Fund will not be available to meet the liabilities of another. However, the Trust (through the Manager) may operate or have assets held on its behalf or be subject to claims in the UK, or in other jurisdictions, whose courts may not necessarily recognise such segregation of liability.

Therefore, it is not possible to be certain that the assets of a Fund will always be completely isolated from the liabilities of another Fund of the Trust in every circumstance.

New Issues

Funds may invest in initial public offerings or new debt issues. The prices of securities involved in initial public offerings or new debt issues are often subject to greater and more unpredictable price changes than more established securities.

Derivatives

In accordance with the investment limits and restrictions set out in Appendix 3, each of the Funds may use derivatives for the purposes of efficient portfolio management in order to reduce risk and/or costs and/or generate additional income or capital for each of the Funds (as further described in Appendix 3). The Manager may also use derivatives to hedge and manage risk.

The use of derivatives in this way is not intended to increase the risk profile of the Funds. The Manager uses a risk management process, to monitor and measure as frequently as appropriate the risk of a Fund's portfolio and contribution of the underlying investments to the overall risk profile of the Fund.

However, the use of derivatives may expose the Fund to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Fund(s) trade, the risk of settlement default, lack of liquidity of the derivative, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when investing in derivatives, a Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and/or variation margin assets with the counterparty. For derivatives which require a Fund to place initial margin assets with a counterparty, such assets might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions are geared. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities.

Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where a Fund's credit exposure to its counterparty under a derivative contract is not fully collateralised but each Fund will continue to observe the limits set out in Appendix 3. The use of derivatives may also expose a Fund to legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

Counterparty Risk

A Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the relevant Fund. This would include the counterparties to any derivative that it enters into. Trading in derivatives which have not been collateralised gives rise to direct counterparty exposure. The relevant Fund mitigates much of its credit risk to its derivative counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any derivative is not fully collateralised, a default by the counterparty may result in a reduction in the value of the relevant Fund. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an ongoing basis. Each Fund maintain(s) an active oversight of counterparty exposure and the collateral management process.

The Manager is free to use one or more separate counterparties for derivative investments. Some or all of these counterparties may be associates of the BlackRock Group or the PNC Group.

Liquidity Risk

Investments made by the Funds may be subject to liquidity constraints, which means that underlying shares may trade less frequently and in small volumes, for instance smaller companies. Securities of certain types, such as bonds or structured credit products, may also be subject to periods of lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable. In certain cases it may not be possible to sell an underlying security at the last market price or at a value considered to be fairest.

Taxation

The tax information provided in the "Taxation" section is based, to the best knowledge of the Manager, upon tax law and practice as at the date of this Prospectus. Tax legislation, the tax status of the Manager and the Funds, the taxation of unitholders and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time. Any change in the taxation legislation in UK or in any jurisdiction where a Fund is registered, marketed or invested could affect the tax status of the Funds, affect the value of the relevant Fund's investments in the affected jurisdiction, affect the relevant Fund's ability to achieve its investment objective, and/or alter the post tax returns to unitholders. Where the Fund invests in derivatives the preceding sentence may also extend to the jurisdiction of the governing law of the derivative contract and/or the derivative counterparty and/or to the market(s) comprising the underlying exposure(s) of the derivative.

The availability and value of any tax reliefs available to unitholders depend on the individual circumstances of unitholders. The information in the "Taxation" section is not exhaustive and does not constitute legal or tax advice. Prospective investors are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Funds.

Where a Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, for example jurisdictions in the Middle East, the relevant Fund, the Manager, the Investment Manager, the Trustee and the administrator shall not be liable to account to any unitholder for any payment made or suffered by the relevant Fund in good faith to a fiscal authority for taxes or other charges of the Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, adherence to best or common market practice (to the extent that there is no established best practice) that is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the relevant Fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Fund. Such late paid taxes will normally be debited to the Fund at the point the decision to accrue the liability in the Fund accounts is made.

Tracking Error[10]

[10] This is not applicable to the BlackRock Balanced Managed Fund as it is not an index tracking fund.

While the Funds seek to track the performance of their respective Benchmark Indices, whether through a replication or optimising strategy, there is no guarantee that they will achieve perfect tracking and the Funds are subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Benchmark Indices, from time to time. This tracking error may result from an inability to hold the exact constituents of the Benchmark Index, for example where there are local market trading restrictions, small illiquid components and/or where the COLL Sourcebook and/or any other applicable regulations limit exposure to the constituents of the Benchmark Index.

Reported tracking error may be affected if the valuation of a Fund and its Benchmark Index do not take place at the same time (as described above under "Anticipated Tracking Error of the Funds"), or on the same day. The latter eventuality may occur due to public or bank holidays not being aligned across different jurisdictions. If the Benchmark Index is valued on a day when the relevant Fund does not produce a valuation, the tracking error of the Fund at its valuation point may appear to be higher than if the Fund and the Benchmark Index were priced on the same day.

In relation to the iShares Emerging Markets Equity Index Fund (UK), the performance of the Fund compared to the Benchmark Index may also be affected by the fact that it invests in emerging market securities. In certain emerging markets, there may be limits concerning the manner and/or extent to which foreign investors can invest directly in securities in that market, and also taxes or other charges applicable to foreign investors which may render direct investment inefficient or uneconomical for unitholders. This may affect the Fund's ability to invest in all of the securities that make up the Benchmark Index or hold the appropriate amount of these. Furthermore, where accounts are opened with the local sub-custodian for the first time, there may be a significant amount of time elapsed before the account is operational. In certain situations, it may be possible for the Manager to invest in other transferable securities or utilise certain instruments and techniques which provide an equivalent exposure to the securities in these markets. However the Manager is unable to guarantee that a similar outcome will be achieved to that if it were possible to hold the securities directly.

Index-Related Risks[7]

In order to meet its investment objective, each Fund will seek to achieve a return which reflects the return of its Benchmark Index as published by the relevant index provider. While index providers do provide descriptions of what each Benchmark Index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used. During a period where a Benchmark Index contains incorrect constituents, the Fund tracking such published Benchmark Index would have market exposure to such constituents. As such, errors may potentially result in a negative or positive performance impact to the Fund and, by extension, impact its unitholders.

Apart from scheduled rebalances, index providers may carry out additional ad hoc rebalances to their benchmark indices in order, for example, to correct an error in the selection of index constituents. Where the Benchmark Index of a Fund is rebalanced and the Fund in turn rebalances its portfolio to bring it in line with its Benchmark Index, any transaction costs (including any capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne by the Fund and, by extension, its unitholders. Unscheduled rebalances to the Benchmark Index may also expose the Fund to tracking error risk, which is the risk that its returns may not track exactly those of the Benchmark Index. Therefore, errors and additional ad hoc rebalances carried out by an index provider to a Fund's Benchmark Index may increase the costs and market exposure risk of the Fund.

Global Financial Market Crisis and Governmental Intervention

Since 2007, global financial markets have undergone pervasive and fundamental disruption and suffered significant instability leading to extensive governmental intervention. Regulators in many jurisdictions have implemented or proposed a number of emergency regulatory measures and may continue to do so. Government and regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to implement the Funds' investment objectives.

Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilise the financial markets is unknown. The Investment Manager cannot predict how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on the Funds', the European or global economy and the global securities markets.

Stock Lending

The Funds may engage in stock lending. The Funds engaging in stock lending will have a credit risk exposure to the counterparties to any stock 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. The Manager intends to ensure that all stock lending is fully collateralised but, to the extent that any stock lending is not fully collateralised (for example due to timing issues arising from payment lags), the Funds will have a credit risk exposure to the counterparties to the stock lending contracts.

Potential Implications of Brexit.

In a referendum held on June 23, 2016, the electorate of the United Kingdom resolved to leave the European Union. The result has led to political and economic instability and volatility in the financial markets of the United Kingdom and more broadly across Europe. It may also lead to weakening in consumer, corporate and financial confidence in such markets as the UK finalises the terms of its exit from the EU. The extent of the impact will depend in part on the nature of the arrangements that are put in place between the UK and the EU following the eventual Brexit deal and the extent to which the UK continues to apply laws that are based on EU legislation. The longer term process to implement the political, economic and legal framework that is agreed between the UK and the EU is likely to lead to continuing uncertainty and periods of exacerbated volatility in both the UK and in wider European markets. The UK's exit from the EU, the anticipation of the exit or the terms of the exit could also create significant uncertainty in the UK (and potentially global) financial markets, which may materially and adversely affect the performance of a Fund, its net asset value, its earnings and returns to its unitholders. It could also potentially make it more difficult to raise capital in the EU and/or increase the regulatory compliance burden which could restrict a Fund's future activities and thereby negatively affect returns.

Volatility resulting from this uncertainty may mean that the returns of a Fund and its investments are adversely affected by market movements, potential decline in the value of Sterling and/or Euro, and any downgrading of UK sovereign credit rating. This may also make it more difficult, or more expensive, for a Fund to execute prudent currency hedging policies.

This mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of a Fund and its investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to a Fund.

Euro and Euro Zone Risk

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries exacerbated the global economic crisis. There is a continued possibility that Eurozone countries could be subject to an increase in borrowing costs. This situation as well as the United Kingdom's referendum have raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union. The departure or risk of departure from the Euro by one or more Euro zone countries could lead to the reintroduction of national currencies in one or more Euro zone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Fund's investments. Unitholders should carefully consider how any potential changes to the Euro zone and European Union may affect their investment in a Fund.

Financial Corporate Bond Risk

Corporate bonds issued by a financial institution in the European Union may be subject to the risk of a write down or conversion (i.e."bail-in") by an EU authority in circumstances where the financial institution is unable to meet its financial obligations. This may result in bonds issued by such financial institution being written down (to zero), converted into equity or alternative instrument of ownership, or the terms of the bond may be varied. 'Bail-in' risk refers to the risk of EU member state authorities exercising powers to rescue troubled banks by writing down or converting rights of their bondholders in order to absorb losses of, or recapitalise, such banks. Investors should be alerted to the fact that EU member state authorities are more likely to use a "bail-in" tool to rescue troubled banks, instead of relying on public financially support as they have in the past as EU member state authorities now consider that public financial support should only be used as a last resort after having assessed and exploited, to the maximum extent practicable, other resolution tools, including the "bail-in" tool. A bail-in of a financial institution is likely to result in a reduction in value of some or all of its bonds (and possibly other securities) and a Fund holding such securities when a bail-in occurs will also be similarly impacted.

Cybersecurity

The Funds or any of the service providers, including the Manager and the Investment Manager, may be subject to risks resulting from cybersecurity incidents and/or technological malfunctions. A cybersecurity incident is an event that may cause a loss of proprietary information, data corruption or a loss of operational capacity. Cybersecurity incidents can result from deliberate cyber attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through hacking or malicious software coding) for the purposes of misappropriating assets or sensitive information, corrupting data, releasing confidential information without authorisation or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites, which may make network services unavailable to intended users. The issuers of securities and counterparties to other financial instruments in which a Fund invests may also be subject to cybersecurity incidents.

Cybersecurity incidents may cause a Fund to suffer financial losses, interfere with a Fund's ability to calculate its NAV, impede trading, disrupt the ability of investors to subscribe for, exchange or redeem their units, violate privacy and other laws and incur regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Cyber-attacks may render records of assets and transactions of a Fund, unitholder ownership of units, and other data integral to the functioning of a Fund inaccessible, inaccurate or incomplete. In addition, substantial costs may be incurred in order to prevent any cybersecurity incidents in the future which may adversely impact a Fund.

While the Manager and the Investment Manager have established business continuity plans and risk management strategies to seek to prevent cybersecurity incidents, there are inherent limitations in such plans and strategies, including the possibility that certain risks have not been identified given the evolving nature of the threat of cyber-attacks. Furthermore, none of the Funds, the Manager or the Investment Manager can control the business continuity plans or cybersecurity strategies put in place by other service providers to a Fund or issuers of securities and counterparties to other financial instruments in which a Fund invests. The Manager relies on its third party service providers for many of its day-to-day operations and will be subject to the risk that the protections and policies implemented by those service providers will be ineffective to protect the Manager or the Funds from cyber-attack.

The above risks should be considered for all Funds. There are other risks that unitholders should also bear in mind when considering investment into specific funds. The table below indicates those that should be considered:

Fund Name	Emerging Markets including sovereign debt and restrictions on foreign investments	Fixed Income Transferable Securities	Distressed Securities	Small Cap Companies	Specific Sectors	Asset Backed Securities	Delayed Delivery Transactions	Investment in the PRC via the Stock Connect/Bond Connect
BlackRock Balanced Managed Portfolio Fund	×	×			x	x	×	x (Bond Connect)
iShares Continental European Equity Index Fund (UK)					×			
BlackRock Corporate Bond 1-10 Year Fund		×	×		x	x		
iShares Corporate Bond Index Fund (UK)		×	×		x	x		
iShares Developed Asia Pacific Ex Japan Equity Index Fund (UK)*	×				×			
iShares Emerging Markets Equity Index Fund (UK)	x			x	x			x (Stock Connect)
iShares Global Property Securities Equity Index Fund (UK)				x	x			
iShares Index Linked Gilt Index Fund (UK)		x			x			

Fund Name	Emerging Markets including sovereign debt and restrictions on foreign investments	Fixed Income Transferable Securities	Distressed Securities	Small Cap Companies	Specific Sectors	Asset Backed Securities	Delayed Delivery Transactions	Investment in the PRC via the Stock Connect/Bond Connect
iShares Japan Equity Index Fund (UK)					×			
iShares Mid Cap UK Equity Index Fund (UK)					x			
iShares North American Equity Index Fund (UK)					×			
iShares Over 15 Years Corporate Bond Index Fund (UK)		x	x		x			
iShares Over 15 Years Gilts Index Fund (UK)		×			×			
iShares Overseas Corporate Bond Index Fund (UK)		x	x		x	x		
iShares Overseas Government Bond Index Fund (UK)		x			x			
iShares Pacific Ex Japan Equity Index Fund (UK)	×			×	×			
iShares 100 UK Equity Index Fund (UK)					x			

Fund Name	Emerging Markets including sovereign debt and restrictions on foreign investments	Fixed Income Transferable Securities	Distressed Securities	Small Cap Companies	Specific Sectors	Asset Backed Securities	Delayed Delivery Transactions	Investment in the PRC via the Stock Connect/Bond Connect
iShares 350 UK Equity Index Fund (UK)					x			
iShares UK Equity Index Fund (UK)					×			
iShares UK Gilts All Stocks Index Fund (UK)		×			×			
iShares US Equity Index Fund (UK)					×			
iShares World Ex UK Equity Index Fund (UK)*	×							

* These Funds have not yet launched

Emerging Markets

The following considerations, which apply to some extent to all international investments, are of particular significance in certain smaller and emerging markets. Funds investing in equities (see “Appendix 1” below) may include investments in certain smaller and emerging markets, which are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. The prospects for economic growth in a number of these markets are considerable and equity returns have the potential to exceed those in mature markets as growth is achieved. However, share price and currency volatility are generally higher in emerging markets.

Some governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries, as do environmental problems. Certain economies also depend to a significant degree upon exports of primary commodities and, therefore, are vulnerable to changes in commodity prices which, in turn, may be affected by a variety of factors.

In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose different capital gains taxes on foreign investors.

Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors’ activities. Those activities may include practices such as trading on material non-public information by certain categories of investor.

The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Fund’s acquisition or disposal of securities.

Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because a Fund will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Fund is unable to acquire or dispose of a security. The Trustee is responsible for the proper selection and supervision of its correspondent banks and sub-custodians in all relevant markets in accordance with UK applicable law and regulation.

In certain emerging markets, registrars are not subject to effective government supervision nor are they always independent from issuers. The possibility of fraud, negligence, undue influence being exerted by the issuer or refusal to recognise ownership exists, which, along with other factors, could result in the registration of a shareholding being completely lost. Investors should therefore be aware that the Funds concerned could suffer loss arising from these registration problems, and as a result of archaic legal systems a Fund may be unable to make a successful claim for compensation.

While the factors described above may result in a generally higher level of risk with respect to the individual smaller and emerging markets, these may be reduced when there is a low correlation between the activities of those markets and/or by the diversification of investments within the relevant Funds.

Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia, this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Custodian). No certificates representing ownership of Russian companies will be held by the Custodian or any correspondent or in an effective central depositary system. As a result of this system and the lack of state regulation and enforcement, a Fund could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight. As a result of Russia’s action in Crimea, as at the date of this Prospectus, the United States, European Union and other countries have imposed sanctions on Russia. The scope and level of the sanctions may increase and there is a risk that this may adversely affect the Russian economy and result in a decline in the value and liquidity of Russian securities, a devaluation of the Russian currency and/or a downgrade in Russia’s credit rating. These sanctions could also lead to Russia taking counter measures more broadly against Western and other countries. Depending on the form of action which may be taken by Russia and other countries, it could become more difficult for the Funds with exposure to Russia to continue investing in Russia and/or to liquidate Russian investments and expatriate funds out of Russia. Measures taken by the Russian government could include freezing or seizure of Russian assets of European residents which would reduce the value and liquidity of any Russian assets held by the Funds. If any of these events were to occur, the Directors may (at their discretion) take such action as they consider to be in the interests of investors in Funds which have investment exposure to Russia, including (if necessary) suspending trading in the Funds (see the section 8(f) for more details).

Sovereign Debt

Certain developing countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations (“Sovereign Debt”) issued or guaranteed by developing governments or their agencies and instrumentalities (“governmental entities”) involves a high degree of risk. The governmental entity that controls the repayment of Sovereign Debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their Sovereign Debt. Holders of Sovereign Debt, including a Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which Sovereign Debt on which a governmental entity has defaulted may be collected in whole or in part.

Restrictions on Foreign Investment

Some countries prohibit or impose substantial restrictions on investments by foreign entities such as a Fund. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of a Fund. For example, a Fund may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Fund. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which a Fund may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where a Fund places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the Fund of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to a Fund's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. A Fund could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Fund of any restriction on investments. A number of countries have authorised the formation of closed-end investment companies to facilitate indirect foreign investment in their capital markets. Shares of certain closed-end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If a Fund acquires shares in closed-end investment companies, unitholders would bear both their proportionate share of expenses in the Fund (including management fees) and, indirectly, the expenses of such closed end investment companies.

Fixed Income Transferable Securities

Debt securities are subject to both actual and perceived measures of creditworthiness. The amount of credit risk is measured by the issuer's credit rating which is assigned by one or more independent rating agencies. This does not amount to a guarantee of the issuer's creditworthiness but provides a strong indicator of the likelihood of default. Securities which have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. Companies often issue securities which are ranked in order of seniority which in the event of default would be reflected in the priority in which investors might be paid back. The "downgrading" of a rated debt security or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market.

Non-investment grade debt may be highly leveraged and carry a greater risk of default.

A Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect a Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Fund may experience losses and incur costs. In addition, non-investment grade securities tend to be more volatile than higher rated fixed-income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed-income securities.

Distressed Securities

Investment in a security issued by a company that is either in default or in high risk of default ("Distressed Securities") involves significant risk. Such investments will only be made when the Investment Manager believes it is reasonably likely that the issuer of the securities will make an exchange offer or will be the subject of a plan of reorganisation; however, there can be no assurance that such an exchange offer will be made or that such a plan of reorganisation will be adopted or that any securities or other assets received in connection with such an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made. In addition, a significant period of time may pass between the time at which the investment in Distressed Securities is made and the time that any such exchange offer or plan of reorganisation is completed. During this period, it is unlikely that any interest payments on the Distressed Securities will be received, there will be significant uncertainty as to whether or not the exchange offer or plan of reorganisation will be completed, and there may be a requirement to bear certain expenses to protect the investing Fund’s interest in the course of negotiations surrounding any potential exchange or plan of reorganisation. In addition, as a result of participation in negotiations with respect to any exchange offer or plan of reorganisation with respect to an issuer of Distressed Securities, the investing Fund may be precluded from disposing of such securities. Furthermore, constraints on investment decisions and actions with respect to Distressed Securities due to tax considerations may affect the return realised on the Distressed Securities.

Some Funds may invest in securities of issuers that are encountering a variety of financial or earnings problems and represent distinct types of risks. A Fund's investments in equity or fixed income transferable securities of companies or institutions in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

Smaller Capitalisation Companies

The securities of smaller companies tend to be more volatile and less liquid than the securities of large companies. As securities of smaller companies may experience more market price volatility than securities of larger companies, the net asset value of any Funds which invest in smaller companies may reflect this volatility. Smaller companies, as compared with larger companies, may have a shorter history of operations, may not have as great an ability to raise additional capital, may have a less diversified product line making them susceptible to market pressure and may have a smaller public market for their securities.

Investment in smaller companies may involve relatively higher investment costs and accordingly investment in Funds which invest in smaller companies should be viewed as a long-term investment. Such Funds may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of units. As a result of the above risks, a Fund’s investments can be adversely affected and the value of your investments may go up or down.

Specific Sectors

Investment may be made in a limited number of market sectors and therefore these Funds may be more volatile than other more diversified Funds and may be subject to rapid cyclical changes in investor activity. Investments in securities within a particular sector may present certain risks that may not exist to the same degree as in other types of investments. For example some sector specific companies may have limited product lines, markets, or financial resources, or may depend on a limited management group. The companies in which the Funds concerned may invest are also strongly affected by industrial, scientific or technological developments, and their products may rapidly fall into obsolescence.

The share price gains of many companies involved in the alternative energy and energy technology sectors in the recent past have been significantly greater than those experienced by equity markets as a whole. Consequently, the shares of many alternative energy and energy technology focused companies are now valued, using certain valuation criteria, at a substantial premium to the average for equity markets in general. There can be no assurance or guarantee that current valuations of alternative energy and energy technology focused companies are sustainable.

A Fund investing in financial services companies is more vulnerable to price fluctuations of financial services companies and other factors that particularly affect financial services industries than a more broadly diversified mutual fund. In particular, the prices of stock issued by many financial services companies have historically been more closely correlated with changes in interest rates than other stocks. Generally, when interest rates go up, stock prices of these companies go down. This relationship may not continue in the future.

In relation to the iShares Global Property Securities Equity Index Fund (UK) investors should note: property securities are subject to some of the same risks associated with the direct ownership of property including, but not limited to: adverse changes of the conditions of the real estate markets, obsolescence of properties, changes in availability, costs and terms of mortgage funds and the impact of environmental laws.

However, investing in property securities is not equivalent to investing directly in property and the performance of property securities may be more heavily dependant on the general performance of stock markets than the general performance of the property sector. Historically there had been an inverse relationship between interest rates and property values. Rising interest rates can decrease the value of the properties in which a property company invests and can also increase related borrowing costs. Either of these events can decrease the value of an investment in property companies.

The current taxation regimes for property-invested entities are potentially complex and may change in the future. This may impact either directly or indirectly the returns to investors in a property fund and the taxation treatment thereof. Accordingly, if in doubt, investors should seek independent advice about the specific tax risks of investing in the iShares Global Property Securities Equity Index Fund (UK).

Asset Backed Securities

With regard to Funds that invest in asset-backed securities, while the market price for an asset-backed security and the related asset generally are expected to move in the same direction, there may not be perfect correlation in the two price movements. Asset-based securities may not be secured by a security interest in or claim on the underlying asset. The asset-based securities in which a Fund may invest may bear interest or pay preferred dividends at below market rates and, in some instances, may not bear interest or pay preferred dividends at all.

Certain asset-backed securities may be payable at maturity in cash at the stated principal amount or, at the option of the holder, directly in a stated amount of the asset to which it is related. In such instance, a Fund would endeavour to sell the asset-based security in the secondary market prior to maturity if the value of the stated amount of the asset exceeds the stated principal amount and thereby realise the appreciation in the underlying asset.

Delayed Delivery Transactions

Funds that invest in fixed income transferable securities may purchase "To Be Announced" securities ("TBAs"). This refers to the common trading practice in the mortgage-backed securities market in which a security is to be bought from a mortgage pool (Ginnie Mae, Fannie Mae or Freddie Mac) for a fixed price at a future date. At the time of purchase the exact security is not known, but the main characteristics of it are specified. Although the price has been established at the time of purchase, the principal value has not been finalised. Purchasing a TBA involves a risk of loss if the value of the security to be purchased declines prior to the settlement date. Risks may also arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts.

Although the Funds will generally enter into TBA purchase commitments with the intention of acquiring securities, the Funds may also dispose of a commitment prior to settlement if it is deemed appropriate to do so. Proceeds of TBA sales are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment (deliverable on or before the sale commitment date), are held as cover for the transaction.

If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, the Fund realises a gain or loss on the commitment without regard to any unrealised gain or loss on the underlying security. If the Fund delivers securities under the commitment, the Fund realises a gain or loss from the sale of the securities upon the unit price established at the date the commitment was entered into.

Investment in the PRC via the Stock Connect

Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by HKEX, SSE and China Clear with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Stock Connect Funds), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SSE by routing orders to SSE. Under the Southbound Trading Link investors in the PRC will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and CSRC on 10 November 2014 the Stock Connect commenced trading on 17 November 2014.

Funds investing in the PRC may invest in China A Shares trading on the Shanghai Stock Exchange via Stock Connect. The Stock Connect is a programme that links the Shanghai Stock Exchange and the SEHK. Under the programme, investors can access the Shanghai Stock Exchange via the Hong Kong Central Clearing and Settlement System (CCASS) maintained by the HKSCC as central securities depositary in Hong Kong. Investing in China A Shares via Stock Connect bypasses the requirement to obtain RQFII status which is required for direct access to the Shanghai Stock Exchange.

Quota Limitations

Investing in the PRC via Stock Connect is subject to quota limitations which apply to the Investment Manager. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance).

Legal / Beneficial Ownership

The China A Shares invested in via the Stock Connect will be held by the Trustee in accounts in the Hong Kong Central Clearing and Settlement System (CCASS) maintained by the HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the China A Shares, as the nominee holder, through an omnibus securities account in its name registered with CSDCC. The precise nature and rights of the Stock Connect Funds as the beneficial owners of the China A Shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Stock Connect Funds under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the China A Shares will be regarded as held for the beneficial ownership of the Stock Connect Funds or as part of the general assets of HKSCC available for general distribution to its creditors.

Clearing and Settlement Risk

HKSCC and CSDCC will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, CSDCC operates a comprehensive network of clearing, settlement and stock holding infrastructure. CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of CSDCC default are considered to be remote. In the remote event of a CSDCC default, HKSCC's liabilities in respect of China A Shares invested in via the Stock Connect will be limited under its market contracts with clearing participants to assisting clearing participants in pursuing their claims against CSDCC. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from CSDCC through available legal channels or through CSDCC's liquidation. In that event, the relevant Stock Connect Fund may suffer delay in the recovery process or may not fully recover its losses from CSDCC.

Suspension Risk

It is contemplated that both the SEHK and the Shanghai Stock Exchange would reserve the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator will be sought before a suspension is triggered. Where a suspension is effected, the relevant Stock Connect Fund's ability to access the PRC market will be adversely affected.

Differences in Trading Day

The Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but the Stock Connect Funds cannot carry out any China A Shares trading via the Stock Connect. The Stock Connect Funds may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connect is not trading as a result.

Restrictions on Selling Imposed by Front-end Monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the Shanghai Stock Exchange will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If a Stock Connect Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Stock Connect Fund may not be able to dispose of its holdings of China A Shares in a timely manner.

Operational Risk

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the SEHK and the Shanghai Stock Exchange differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Stock Connect Fund's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

Regulatory Risk

The Stock Connect is relatively new. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. Stock Connect Funds may be adversely affected as a result of such changes.

Recalling of Eligible Stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may restrict the ability of the relevant Stock Connect Fund to acquire shares.

No Protection by Investor Compensation Fund

Investment in China A Shares via the Stock Connect is conducted through brokers, and is subject to the risk of default by such brokers in their obligations. Investments of Stock Connect Funds are not covered by the Hong Kong's investor compensation fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of China A Shares invested in via the Stock Connect do not involve products listed or traded on the SEHK, they will not be covered by the investor compensation fund. Therefore the Stock Connect Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connect.

Investment in the China Interbank Bond Market

The CIBM Funds can invest in the China Interbank Bond Market via the Foreign Access Regime and/or the Bond Connect.

Investment in China Interbank Bond Market via Foreign Access Regime

Pursuant to the "Announcement (2016) No 3" issued by the People's Bank of China (PBOC) on 24 February 2016, foreign institutional investors can invest in China Interbank Bond Market ("Foreign Access Regime") subject to other rules and regulations as promulgated by the Mainland Chinese authorities.

Under the prevailing regulations in Mainland China, foreign institutional investors who wish to invest directly in China Interbank Bond Market may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

Investment in China Interbank Bond Market via Northbound Trading Link under Bond Connect

Bond Connect is an initiative launched in July 2017 for mutual bond market access between the People's Republic of China ("PRC") and Hong Kong, established by the China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited ("HKEX") and Central Moneymarkets Unit.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect ("Northbound Trading Link"). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

The Northbound Trading Link refers to the trading platform that is located outside of Mainland China and is connected to CFETS for eligible foreign investor to submit their trade requests for bonds circulated in the China Interbank Bond Market through Bond Connect. HKEX and CFETS will work together with offshore electronic bond trading platforms to provide electronic trading services and platforms to allow direct trading between eligible foreign investors and approved onshore dealer(s) in Mainland China through CFETS.

Eligible foreign investors may submit trade requests for bonds circulated in the China Interbank Bond Market through the Northbound Trading Link provided by offshore electronic bond trading platforms (such as Tradeweb and Bloomberg), which will in turn transmit their requests for quotation to CFETS. CFETS will send the requests for quotation to a number of approved onshore dealer(s) (including market makers and others engaged in the market making business) in PRC. The approved onshore dealer(s) will respond to the requests for quotation via CFETS and CFETS will send their responses to those eligible foreign investors through the same offshore electronic bond trading platforms. Once the eligible foreign investor accepts the quotation, the trade is concluded on CFETS.

On the other hand, the settlement and custody of bond securities traded in the China Interbank Bond Market under Bond Connect will be done through the settlement and custody link between the Central Money-markets Unit, as an offshore custody agent, and the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House, as onshore custodian and clearing institutions in Mainland China. Under the settlement link, China Central Depository & Clearing Co., Ltd or Shanghai Clearing House will effect gross settlement of confirmed trades onshore and the Central Moneymarkets Unit will process bond settlement instructions from Central Moneymarkets Unit members on behalf of eligible foreign investors in accordance with its relevant rules. Since the introduction in August 2018 of delivery versus payment (DVP) settlement in respect of Bond Connect, the movement of cash and securities is carried out simultaneously on a real time basis.

Pursuant to the prevailing regulations in Mainland China, the Central Moneymarkets Unit, being the offshore custody agent recognised by the Hong Kong Monetary Authority opens omnibus nominee accounts with the onshore custody agent recognised by the PBOC (i.e., the China Securities Depository & Clearing Co., Ltd and Shanghai Clearing House). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Important Note: please note that the liquidity of the China Interbank Bond Market is particularly unpredictable. Investors should read the following.

Volatility and Liquidity Risk

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market fluctuating significantly. The relevant CIBM Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. The debt securities traded in the China Interbank Bond Market may be difficult or impossible to sell, and this would affect the relevant CIBM Fund's ability to acquire or dispose of such securities at their intrinsic value.

Settlement Risk

To the extent that the relevant CIBM Fund transacts in the China Interbank Bond Market, the relevant CIBM Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the relevant Fund may default on its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Risk of Default of Agents

For investments via the Foreign Access Regime and/or Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the relevant Fund is subject to the risks of default or errors on the part of such third parties.

Regulatory Risks

Investing in the China Interbank Bond Market via the Foreign Access Regime and/or Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the relevant CIBM Fund's ability to invest in the China Interbank Bond Market will be adversely affected and limited. In such event, the relevant CIBM Fund's ability to achieve its investment objective may be adversely affected and, after exhausting other trading alternatives, the relevant CIBM Fund may suffer substantial losses as a result.

System Failure Risks for Bond Connect

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. The relevant CIBM Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the relevant CIBM Fund invests in the China Interbank Bond Market through

Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Taxation Risks

On 22 November 2018, the Ministry of Finance and State Administration of Taxation jointly issued Circular 108 providing foreign institutional investors temporary exemption from PRC withholding income tax and Value Added Tax with respect to interests from non-government bonds in the domestic bond market for the period from 7 November 2018 to 6 November 2021.

Circular 108 is silent on the PRC tax treatment with respect to non-government bond interest derived prior to 7 November 2018. Any changes in PRC tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the PRC tax authorities of any tax may result in a material loss to the relevant Funds.

The Manager will keep the provisioning policy for tax liability under review, and may, in its discretion from time to time, make a provision for potential tax liabilities, if in their opinion such provision is warranted, or as further clarified by the PRC authorities in notifications. For further details on PRC taxes and associated risks, please refer to the risk factor headed "Taxation" above.

There is a risk the PRC tax authorities may withdraw the temporary tax exemptions in the future and seek to collect withholding income tax and VAT on interest income from non-government bonds to the relevant Fund without giving any prior notice. If the tax exemptions are withdrawn, any taxes arising from or to the relevant Fund may be directly borne by or indirectly passed on to the Fund and may result in a substantial impact to its Net Asset Value. As with any Net Asset Value adjustment, investors may be advantaged or disadvantaged depending on when the investors purchased/subscribed and/or sold/redeemed the Units of a Fund.

Any changes in PRC tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the PRC tax authorities may result in a loss which could be material to the relevant Fund. The Investment Adviser will keep the provisioning policy for tax liability under review and may, in its discretion from time to time, make a provision for potential tax liabilities if in their opinion such provision is warranted or as further clarified by the PRC in notifications.

20. Taxation

The following summary is intended to offer some guidance to persons (other than dealers in securities) on the current UK taxation of authorised unit trusts and their unitholders. It should be noted that the existing legislation may change in future. This summary should not be regarded as definitive, nor as removing the desirability of taking separate professional advice. If unitholders are in any doubt as to their taxation position, they should consult their professional advisers.

The Funds

In respect only of income, authorised unit trusts are taxed as "investment companies" which means that franked income (dividends received from a UK resident company) is not taxed in the unit trust as it has been paid out of profits which have already been taxed. The majority of overseas dividends received by authorised unit trusts from non-UK companies should also be exempt from UK tax. They are liable to pay corporation tax on their other income after deduction of allowable expenses. Authorised unit trusts are not normally liable to corporation tax on their capital gains arising from the disposal of investments.

If a Fund invests more than 60 per cent of its market value in cash, gilts, corporate bonds and similar assets, rather than equities, at all times during a distribution period, it may pay interest distributions. This can be relieved as an expense against the income of the Fund.

Where a Fund holds an investment in any other UK or offshore fund that during the Fund's accounting period is invested primarily in cash, gilts, corporate bonds and similar assets, any movements in that holding will be taxed as income of the Fund for the period concerned. In addition, any dividends paid by such fund will be taxed as interest income. Where the offshore fund is not certified by HM Revenue & Customs ("HMRC") as a reporting fund, the Fund may not be exempt from tax on gains realised on disposal of the interest in the offshore fund. Units in a Fund shall be widely available to the investors that meet the investment criteria. Units in the Fund shall be marketed and made available sufficiently widely to reach the investors, and in a manner appropriate to attract them.

Authorised unit trusts are subject to corporation tax at the basic rate at which income tax is charged, which is currently 20 per cent. For investments overseas, credit may be available (by offset against any UK tax liability or by reducing the overseas dividend by the underlying foreign tax suffered) for some or all of the overseas tax suffered, to minimise any double tax charge suffered by the trust.

Investments held by the Funds will be accounted for and taxed in accordance with the Statement of Recommended Practice for authorised unit trusts. It is the intention of the Manager that all assets held by the Funds will be held for investment purposes and not for the purposes of trading. Furthermore, it is considered that the majority of the investments held by the Funds should meet the definition of an "investment transaction" as defined by the Authorised Investment Funds (Tax) (Amendment) Regulations 2009 ("the regulations"). Therefore, it is considered that the likelihood of HMRC successfully arguing that the Funds are trading is minimal. This assumption is on the basis that the Funds meet the "genuine diversity of ownership" condition as outlined in the regulations. For this purpose, units in each of the Funds shall be widely available. The intended categories of the investors are those set out in paragraph 27 (a). Units in the Funds shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

In the unlikely event that HMRC successfully argues that the Funds were trading in relation to the investments held, this may lead to tax payable within the Funds that investors may not be able to offset or recover.

The unitholder

Distributions can be paid either as a dividend or as an interest distribution depending on whether a Fund is classified as a bond or an equity fund. A Fund will be regarded as a bond fund if throughout the period between income allocation dates more than 60 per cent of the market value of the Fund's holdings are in debt instruments. If this test is not passed the Fund will be an equity fund. A distribution from an equity fund can only be paid as a dividend. From 6 April 2016, there is no longer a notional 10% tax credit on UK dividend distributions. Instead, a £2,000 (2018/2019) tax free dividend allowance has been introduced for UK individuals. Dividends received in excess of this threshold will be taxed at the following rates.

Basic rate taxpayers, i.e. those whose income, after personal reliefs, total less than £34,500 (2018/19) will be liable to tax on dividend distributions at the ordinary rate of 7.5%. Higher-rate taxpayers, i.e., those whose income, after personal reliefs, total between £34,501 and £150,000 (2018/19) will be liable to tax on dividend distributions at the higher rate of 32.5 per cent.

Additional rate taxpayers, i.e. those whose income, after personal reliefs, exceeds £150,000 will be liable to tax on dividend distributions at the additional rate of 38.1 per cent UK resident corporate unitholders must split their dividend distributions into franked and unfranked income portions according to the percentage split given on the voucher.

Unitholders will be sent tax vouchers. Accumulation unitholders will be liable to tax on their income as if they had actually received cash on the pay date.

In accordance with draft legislation published as part of the Finance Bill 2017 and with effect from 6 April 2017 interest distributions will be paid without deduction of income tax at source. Interest distributions received in excess of personal savings allowance (introduced from 6 April 2016) will be taxed at the following rates. Basic rate taxpayers are liable at the basic rate of 20 per cent, higher rate taxpayers are liable at the higher rate of 40 per cent and additional rate taxpayers are liable at the additional rate of 45 per cent.

Persons within the charge to UK corporation tax should note that the regime for the taxation of most corporate debt contained in Chapter 3 Part 6 Corporation Tax Act 2009 provides that, if at any time in an accounting period such a person holds a unitholding in a fund and there is a time in that period when that fund fails to satisfy the “qualifying investments” test, the unitholding held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime.

A Fund fails to satisfy the “qualifying investments” test at any time when more than 60 per cent of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the “qualifying investments” test or other interest bearing securities. On the basis of the investment policies of the Funds, the Funds could invest more than 60 per cent of their assets in government and corporate debt securities or as cash on deposit or in certain derivative contracts or in other non-qualifying collective investment schemes and hence could fail to satisfy the “qualifying investments” test. In that eventuality, the units will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the units in respect of such a person’s accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “fair value accounting” basis. Accordingly, such a person who acquires units in the Funds may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of units).

Any gains arising on disposal of units including a switch of units between unit trusts, are potentially subject to tax on the capital gain (although conversions between classes of units in the same unit trust may not give rise to a disposal for UK Capital Gains Tax purposes, except where a conversion is into or out of a currency hedged unit class into or out of a non currency hedged unit class. For UK resident individuals the first £11,700 (2018-2019) of chargeable gains, from all sources is exempt from tax.

As the Funds operate equalisation, it is likely that the first distribution made after the acquisition of units will include an amount of equalisation. This amount corresponds to the income in the price at which the units were acquired and represents a capital repayment for UK tax purposes which should be deducted from the cost of units in arriving at any capital gain realised on their subsequent disposal. Therefore, this amount of the first distribution is not income for tax purposes.

Investors who are insurance companies subject to UK taxation may be deemed to dispose of and immediately reacquire their holding at the end of each accounting period.

Foreign Account Tax Compliance Act ('FATCA')

The US-UK Agreement to Improve International Tax Compliance and to Implement FATCA (the "US-UK IGA") was entered into with the intention of enabling the UK implementation of the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act (“FATCA”), which impose a reporting regime and potentially a 30% withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets to certain categories of recipient including a non-US financial institution (a “foreign financial institution” or “FFI”) that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions ("reporting financial institutions") are required to provide certain information about their US accountholders to HMRC (which information will in turn be provided to the US tax authority) pursuant to UK regulations implementing the US-UK IGA. It is expected that the Funds will constitute reporting financial institutions for these purposes. Accordingly, the Funds are required to provide certain information about their US Unitholders to HMRC (which information will in turn be provided to the US tax authorities) and are also required to register with the US Internal Revenue Service. It is the Manager's intention to procure that the Funds are treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the US-UK IGA. No assurance can, however, be provided that the Funds will be able to comply with FATCA and, in the event that they are not able to do so, a 30% withholding tax may be imposed on payments they receive from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to them to make payments to their Unitholders.

The Funds are also required to comply with UK regulations implementing agreements to improve international tax compliance entered into between the UK and its Crown Dependencies and certain overseas territories (namely, Jersey, Guernsey, the Isle of Man and Gibraltar), pursuant to which the Funds are required to provide certain information about their Jersey, Guernsey, Isle of Man and Gibraltar Unitholders to HMRC (which information will in turn be provided to the relevant tax authorities) albeit that such requirement may be removed in the future as a result of the overlap with the Common Reporting Standard referred to in the following paragraph.

A number of jurisdictions have entered into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD). This will require the Funds to provide certain information to HMRC about Unitholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).

In light of the above, Unitholders in the Funds will be required to provide certain information to the Funds to comply with the terms of the UK regulations. Please note that the Manager has determined that US Persons are not permitted to own units in the Funds, see paragraph 8(h) above.

21. Equalisation

Included in the issue price of units (on an offer basis) and in the cancellation price of units (on a bid basis) and so reflected as a capital sum in the offer and bid prices will be an income equalisation amount representing the value of income attributable to the unit accrued since the record date for the last income allocation. Being capital, the income equalisation amount included in the issue price of the units, is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

The Trust Deed of each Fund permits grouping of units for equalisation, which arises in respect of those units purchased during an income allocation period. Such units carry an entitlement to equalisation which is the amount arrived at on an average basis of the accrued net income per unit included in the issue price of units purchased during the income allocation period.

22. Charges

The current charges made for each Fund are shown below and are set out in Appendix 1. On giving unitholders at least 60 days written notice, the Manager may, where relevant, increase the preliminary charge or the annual management charge on the Funds provided any such increase does not constitute a fundamental change to the Fund. Any fundamental change to charges set out below will require prior unitholder consent. For details of the categorisation of fundamental, significant and notifiable changes, please see paragraph 24 below.

These charges consist of:

(a) Manager's Charges

(i) The Preliminary Charge will be included in the offer price of units. This charge is currently not charged in respect of Class D units or Class L units. However, in the case of Class A units (as available) and Class H units (as available) the Preliminary Charge will be 5 per cent of the issue price of the relevant units.

(ii) The Annual Management Charge is payable to the Manager and charged to the relevant Fund as set out in Appendix 1. Currently it is charged at a rate of:

- 1.50 per cent of the average of the issue and cancellation valuation in respect of Class A units of the BlackRock Balanced Managed Fund;
- 0.50 per cent of the average of the issue and cancellation valuation in respect of Class A units (as available) of the iShares Global Property Securities Equity Index Fund (UK) and iShares Emerging Markets Equity Index Fund (UK);
- 0.45 per cent of the average of the issue and cancellation valuation in respect of Class A units (as available) of all of the Funds (except iShares Global Property Securities Equity Index Fund (UK), iShares Emerging Markets Equity Index Fund (UK) and the BlackRock Balanced Managed Fund);
- 0.15 per cent of the average of the issue and cancellation valuation in respect of Class D units (as available) in all Funds (except iShares Global Property Securities Equity Index Fund (UK) and iShares Emerging Markets Equity Index Fund (UK) where the charge is 0.20 per cent, and iShares 100 UK Equity Index Fund (UK), iShares UK Equity Index Fund (UK), iShares US Equity Index Fund (UK), iShares North American Equity Index Fund (UK) and iShares Continental European Equity Index Fund (UK) where the charges range between 0.055 and 0.080 per cent as detailed in Appendix 1);
- 0.10 per cent of the average of the issue and cancellation valuation in respect of Class H units[+] (as available) in all Funds (except iShares Emerging Markets Equity Index Fund (UK) and iShares Global Property Securities Equity Index Fund (UK) where the charge is 0.18 per cent, and iShares 100 UK Equity Index Fund (UK), iShares UK Equity Index Fund (UK), iShares US Equity Index Fund (UK), iShares North American Equity Index Fund (UK) and iShares Continental European Equity Index Fund (UK) where the charges range between 0.055 and 0.080 per cent as detailed in Appendix 1);
- 0.20 per cent of the average of the issue and cancellation valuation in respect of Class L units (as available) in all Funds; and
- Nil in respect of Class X units* (but holders of X units are charged outside of the relevant Fund by way of agreement with the Manager, Principal Distributor or their affiliates).

[+] Class H units are available as set out in Appendix 1.

* Class X units are available as set out in Appendix 1

The Annual Management Charge accrues daily and is paid monthly in arrears on the last Business Day of each month and is normally charged against the income, although, subject to the COLL Sourcebook, and with the agreement of the Trustee, the Manager may alternatively charge some or all of this against the capital of a Fund. Unitholders should note that where the annual management charge is charged against capital this may result in capital erosion or constrain capital growth within a Fund.

(b) Trustee's Charges

The Trustee receives for its own account a periodic fee of 0.0045% per annum of the value of the scheme property where the total value of scheme property is below £2.5billion, and a periodic charge of 0.0030% per annum of the value of the scheme property where the total value of scheme property is £2.5billion or above plus a further fee split between a fixed fee of £5,000 and a scaled fee depending upon the Trustee's categorisation of the relevant Fund as follows:

- Category C oversight incurs the fixed fee plus 0.0005 per cent per annum
- Category B oversight incurs the fixed fee plus 0.0010 per cent per annum
- Category A oversight incurs the fixed fee plus 0.0015 per cent per annum

The Trustee determines the oversight categories as follows:

- Category C: Funds with less than 5 per cent exposure of holdings by assets under management to markets which the Trustee considers for its purposes to be higher risk;
- Category B: Funds with between 5 and 20 per cent exposure of holdings by assets under management to markets which the Trustee considers for its purposes to be higher risk; and
- Category A: Funds with more than 20 per cent exposure of holdings by assets under management to markets which the Trustee considers for its purposes to be higher risk.

The Trustee's categorisation of the relevant Fund is not an assessment of the investment risk. Further information with respect to the categorisation of the Trustee charge is set out at Appendix 6 and can also be obtained from the Manager. The fee is payable out of the property of the relevant Fund. The fee accrues on a daily basis and is payable monthly in advance within seven days of month end. The scaled fee is calculated by reference to the arithmetic average of the daily bid and offer prices of the relevant Fund calculated in accordance with Section 9 and Appendix 4 of this Prospectus. The arithmetic average is the mid price which is arrived at by taking the sum of the bid and offer prices calculated on the last Business Day of each accrual period, divided by 2.

The current Trustee charge may be varied upon notice from time to time in accordance with the Trust Deed and the COLL Sourcebook.

The Trust Deed for the Funds also authorises payment out of the property of the Funds of fees for custody services. Where a Fund invests in the units of a UCITS and/or other collective investment scheme that is managed by the Manager or by an associate (as defined by the FCA), the Manager will endeavour to negotiate (but does not guarantee) a reduction in any custodial fees applicable to such investment. Current fees are as follows:

Item	**Range**
Transaction Charges	£6 to £100.
Custody Charges	0.003% to 0.6%.

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Trustee and the Manager. Custody charges accrue and are payable as agreed from time to time by the Manager and the Trustee.

Where relevant, the Trustee may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the relevant Fund and may purchase or sell or deal in the purchase or sale of scheme property, provided always that the services concerned and any such dealing are in accordance with the provisions of the COLL Sourcebook.

The Trustee will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Trust Deed, the COLL Sourcebook or by the general law.

On a winding up of the relevant Fund the Trustee will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the Manager or any associate or nominee of the Trustee or of the Manager) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Trustee.

(c) **Registrar's Charges**

In respect of Class A units (as available) of all Funds, (except the BlackRock Balanced Managed Fund) the Registrar is entitled to an annual fee of up to 0.15 per cent on all units in all Funds (plus VAT, if any) based on the value of the applicable NAV payable from the property of the relevant Fund.

The registrar fee of up to 0.15 per cent accrues monthly in advance and is paid not earlier than the last Business Day of the accrual period and not later than five Business Days thereafter and charged normally against the income account of the Funds.

However, in respect of Class A units (as available) of all the Funds (except the BlackRock Balanced Managed Fund) the Manager will rebate any fees above 0.05 per cent of the NAV back to the relevant Fund until further notice. The Manager may cease to rebate the registrar fee at any time at its discretion but will provide unitholders with 30 days' notice before doing so.

In respect of Class A units of BlackRock Balanced Managed Fund and Class D units, Class H units[+] (as available), Class L units and Class X units* (as available) of all other Funds, the Registrar is currently entitled to an annual fee of £12.00 (plus VAT, if any) per unitholder payable from the property of the relevant Fund.

The Registrar fee is a fixed calculation (i.e. an annual fee based on a percentage of the applicable NAV, or a flat rate annual fee of £12, as described above) that does not fluctuate with the cost of providing the relevant services. If the cost of providing the relevant services is less than the fixed calculation charged to the relevant Fund or unit class, the Manager retains the difference. To the extent the cost of providing the relevant services exceeds the fixed calculation charged to the relevant Fund or unit class, the excess cost is borne by the Manager.

(d) Stock Lending Agent's Fee

The stock lending agent's fee is currently 37.5 per cent of the total income generated from stock lending. The remaining income, at least 62.5 per cent, will be reinvested into the relevant Funds.

(e) Stamp Duty Reserve Tax

Prior to 30 March 2014, SDRT was levied on the dealing of units in unit trust schemes under Schedule 19 of the Finance Act 1999 ("Schedule 19") at the rate of 0.5% on the value of units surrendered. In order to increase the competitiveness of the asset management industry in the UK, the charge to SDRT under Schedule 19 has been abolished since 30 March 2014, and there is no SDRT charge levied on the surrender of units in unit trust schemes after this date.

(f) Research Fees

Any external research received by the Investment Manager in connection with investment services that the Investment Manager provides to the Funds will be paid for by the Investment Manager out of its own resources.

(g) Other Expenses

The following other expenses will be reimbursed out of the property of a Fund (in accordance, where applicable, with the introductory section on page 3):

(i) costs of dealing in the property of a Fund;

(ii) interest on borrowings permitted by a Fund and related charges;

(iii) taxation and duties payable in respect of the property of a Fund, the Trust Deed, the issue, surrender or transfer of units;

(iv) any costs incurred in modifying the Trust Deeds, including costs incurred in respect of meetings of unitholders convened for purposes which include the purpose of modifying the Trust Deeds, where the modification is necessary or expedient by reason of changes in the law or to remove obsolete provisions;

(v) any costs incurred in respect of meetings of unitholders convened on a requisition by unitholders not including the Manager or an associate of the Manager;

(vi) unanticipated liabilities on unitisation, scheme of arrangement or reconstruction where the property of a body corporate or of another collective investment scheme is transferred to the Trustee in consideration of the issue of units in a Fund to shareholders in that body or to participants in that other scheme;

(vii) the costs of preparation and distribution of reports, accounts, any prospectuses, key investor information documents (in the case of the key investor information documents only preparation and not distribution may be charged), the Trust Deed and any costs incurred as a result of changes to any prospectus or Trust Deed, periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of the Fund;

(viii) the audit fee of the Auditor and value added tax thereon and any expenses of the Auditor as well as the fees of and expenses of third party tax, legal and other professional advisers;

(ix) the fees of the FCA under Schedule 1 Part III of the Financial Services and Markets Act 2000 Act and the corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which units of a Fund are or may be marketed; and

(x) fees incurred in respect of entering into stock lending arrangements with stock lending agents.

Fees, costs and duties which are not attributable to a particular Fund will usually be allocated between the Funds pro-rata to the NAV of each Fund or in accordance with another reasonable method at the Manager's discretion.

If a Fund acquires shares in closed-end investment companies (including any BlackRock Investment Trust), unitholders would bear both their proportionate share of expenses in the Fund (including management fees) and, indirectly, the expenses of such closed end investment companies. For the avoidance of doubt, unitholders will not receive a rebate on any management fee payable in respect of any BlackRock Investment Trust that forms part of a Benchmark Index.

23. Conflicts of Interest

The Manager and other BlackRock Group companies undertake business for other clients. BlackRock Group companies, their employees and their other clients face conflicts with the interests of the Manager and its clients. BlackRock maintains a Conflicts of Interest Policy. It is not always possible for the risk of detriment to a client's interests to be entirely mitigated such that, on every transaction when acting for clients, a risk of detriment to their interests does not remain.

The types of conflict scenario giving rise to risks which BlackRock considers it cannot with reasonable confidence mitigate are disclosed below. This document,

[+] Class H units are available as set out in Appendix 1.

* Class X units are available as set out in Appendix 1.

and the disclosable conflict scenarios, may be updated from time to time.

a) Conflicts of Interest within BlackRock Group

PA Dealing

BlackRock Group employees may be exposed to clients' investment information while also being able to trade through personal accounts. There is a risk that, if an employee could place a trade of sufficient size, this would affect the value of a client's transaction. BlackRock Group has implemented a Personal Trading Policy designed to ensure that employee trading is pre-approved.

Employee Relationships

BlackRock Group employees may have relationships with the employees of BlackRock's clients or with other individuals whose interests conflict with those of a client. Such an employee's relationship could influence the employee's decision-making at the expense of clients' interests. BlackRock Group has a Conflicts of Interest Policy under which employees must declare all potential conflicts.

Significant Shareholder – PNC

The PNC Financial Services Group, Inc. ("PNC") holds 20.9% ownership stake of the voting common stock of BlackRock, Inc. A Stockholder Agreement is in place permitting PNC to designate two directors to the BlackRock Inc. Board. There is the potential that BlackRock Group companies could be unduly influenced by PNC to the disadvantage of clients. Both BlackRock Inc. and PNC are managed independently and in isolation of one another and all transactions and revenue between the two are disclosed within BlackRock Inc's proxy statement. Additionally, when voting, PNC must vote its shares in accordance with the recommendation of the BlackRock Inc. Board to prevent undue influence.

b) Conflicts of interest of the Manager

Provider Aladdin

BlackRock Group uses Aladdin software as a single technology platform across its investment management business. Custodial and fund administration service providers may use Provider Aladdin, a form of Aladdin software, to access data used by the Investment Manager and Manager. Each service provider remunerates BlackRock Group for the use of Provider Aladdin. A potential conflict arises whereby an agreement by a service provider to use Provider Aladdin incentivises the Manager to appoint or renew appointment of such service provider. To mitigate the risk, such contracts are entered on an 'arm's length' basis.

Distribution Relationships

The Principal Distributer may pay third parties for distribution and related services. Such payments could incentivise third parties to promote the Trusts to investors against that client's best interests. BlackRock Group companies comply with all legal and regulatory requirements in the jurisdictions in which such payments are made.

Dealing Costs

Dealing costs are created when investors deal into and out of the Fund. There is a risk that other clients of the Fund bear the costs of those joining and leaving. BlackRock Group has policies and procedures in place to protect investors from the actions of others including anti-dilution controls.

c) Conflicts of interest of the Investment Manager

Commissions & Research

Where permitted by applicable regulation (excluding, for the avoidance of doubt, any Funds which are in scope for MiFID II), certain BlackRock Group companies acting as investment manager to the Funds may use commissions generated when trading equities with certain brokers in certain jurisdictions to pay for external research. Such arrangements may benefit one Fund over another because research can be used for a broader range of clients than just those whose trading funded it. BlackRock Group has a Use of Commissions Policy designed to ensure compliance with applicable regulation and market practice in each region.

Timing of Competing Orders

When handling multiple orders for the same security in the same direction raised at or about the same time, the Investment Manager seeks to achieve the best overall result for each order equitably on a consistent basis taking into account the characteristics of the orders, regulatory constraints or prevailing market conditions. Typically, this is achieved through the aggregation of competing orders. Conflicts of interest may appear if a trader does not aggregate competing orders that meet eligibility requirements, or does aggregate orders that do not meet eligibility requirements; it may appear as if one order received preferential execution over another. For a specific trade instruction of the Fund, there may be a risk that better execution terms will be achieved for a different client. For example, if the order was not included in an aggregation. BlackRock Group has Order Handling Procedures and an Investment Allocation Policy which govern sequencing and the aggregation of orders.

Concurrent Long and Short Positions

The Investment Manager may establish, hold or unwind opposite positions (i.e. long and short) in the same security at the same time for different clients. This may prejudice the interests of the Investment Manager's clients on one side or the other. Additionally, investment management teams across the BlackRock Group may have long only mandates and long-short mandates; they may short a security in some portfolios that are held long in other portfolios. Investment decisions to take short positions in one account may also impact the price, liquidity or valuation of long positions in another client account, or vice versa. BlackRock Group operates a Long Short (side by side) Policy with a view to treating accounts fairly.

Cross Trading - Pricing Conflict

When handling multiple orders for the same security, the Investment Manager may 'cross' trades by matching opposing flows to obtain best execution. When crossing orders, it is possible that the execution may not be performed in the best interests of each client; for example, where a trade did not constitute a fair and reasonable price. BlackRock Group reduces this risk by implementing a Crossing Policy.

MNPI

BlackRock Group companies receive Material Non-Public Information (MNPI) in relation to listed securities in which

BlackRock Group companies invest on behalf of clients. To prevent wrongful trading, BlackRock Group erects Information Barriers and restricts trading by one or more investment team(s) concerned in the security concerned. Such restrictions may negatively impact the investment performance of client accounts. BlackRock has implemented a Material Non-Public Information Barrier Policy.

BlackRock's Investment Constraints or Limitations and its Related Parties

The Trusts may be restricted in its investment activities due to ownership threshold limits and reporting obligations in certain jurisdictions applying in aggregate to the accounts of clients of the BlackRock Group. Such restrictions may adversely impact clients through missed investment opportunities. BlackRock Group manages the conflict by following an Investment and Trading Allocation Policy, designed to allocate limited investment opportunities among affected accounts fairly and equitably over time.

Investment in Related Party Products

While providing investment management services for a client, the Investment Manager may invest in products serviced by BlackRock Group companies on behalf of other clients. BlackRock may also recommend services provided by BlackRock or its affiliates. Such activities could increase BlackRock's revenue. In managing this conflict, BlackRock seeks to follow investment guidelines and has a Code of Business Conduct and Ethics.

Investment Allocation and Order Priority

When executing a transaction in a security on behalf of a client, it can be aggregated and the aggregated transaction fulfilled with multiple trades. Trades executed with other client orders result in the need to allocate those trades. The ease with which the Investment Manager can allocate trades to a certain client's account can be limited by the sizes and prices of those trades relative to the sizes of the clients' instructed transactions. A process of allocation can result in a client not receiving the whole benefit of the best priced trade. The Investment Manager manages this conflict by following an Investment and Trading Allocation Policy, which is designed to ensure the fair treatment of all clients' accounts over time.

Fund Look Through

BlackRock Group companies may have an informational advantage when investing in proprietary BlackRock funds on behalf of client portfolios. Such an informational advantage may lead a BlackRock Group company to invest on behalf of its client earlier than the Investment Manager invests for the Trusts. The risk of detriment is mitigated through BlackRock Group's pricing of units and anti-dilution mechanisms.

Side-by-Side Management: Performance fee

The Investment Manager manages multiple client accounts with differing fee structures. There is a risk that such differences lead to inconsistent performances levels across client accounts with similar mandates by incentivising employees to favour accounts delivering performance fees over flat or non-fee accounts. BlackRock Group companies manage this risk through a commitment to a Code of Business Conduct and Ethics Policy.

d) Other Conflicts

Securities Lending

To the extent specified for each Fund in Appendix 7, the Funds may engage in securities lending. There are potential conflicts of interests in managing a securities lending program, including but not limited to: (i) a member of BlackRock Group as lending agent may have an incentive to increase or decrease the amount of securities on loan or to lend particular securities in order to generate additional risk-adjusted revenue for BlackRock Group; and (ii) a member of BlackRock Group as lending agent may have an incentive to allocate loans to clients that would provide more revenue to Blackrock Group. As described further below, BlackRock Group seeks to mitigate this conflict by providing its securities lending clients with equal lending opportunities over time in order to approximate pro-rata allocation.

As part of its securities lending program, BlackRock Inc. indemnifies certain clients and/or funds against a shortfall in collateral in the event of borrower default. BlackRock Group's Risk and Quantitative Analytics Group ("RQA") calculates, on a regular basis, BlackRock Group's potential dollar exposure to the risk of collateral shortfall upon counterparty default ("shortfall risk") under the securities lending program for both indemnified and non-indemnified clients. On a periodic basis, RQA also determines the maximum amount of potential indemnified shortfall risk arising from securities lending activities ("indemnification exposure limit") and the maximum amount of counterparty-specific credit exposure ("credit limits") BlackRock Group is willing to assume as well as the program's operational complexity. RQA oversees the risk model that calculates projected shortfall values using loan-level factors such as loan and collateral type and market value as well as specific borrower counterparty credit characteristics. When necessary, RQA may further adjust other securities lending program attributes by restricting eligible collateral or reducing counterparty credit limits. As a result, the management of the indemnification exposure limit may affect the amount of securities lending activity BlackRock Group may conduct at any given point in time and impact indemnified and non-indemnified clients by reducing the volume of lending opportunities for certain loans (including by asset type, collateral type and/or revenue profile).

BlackRock Group uses a predetermined systematic and fair process in order to approximate pro-rata allocation. In order to allocate a loan to a portfolio: (i) BlackRock Group as a whole must have sufficient lending capacity pursuant to the various program limits (i.e. indemnification exposure limit and counterparty credit limits); (ii) the lending portfolio must hold the asset at the time a loan opportunity arrives; and (iii) the lending portfolio must also have enough inventory, either on its own or when aggregated with other portfolios into one single market delivery, to satisfy the loan request. In doing so, BlackRock Group seeks to provide equal lending opportunities for all portfolios, independent of whether BlackRock Group indemnifies the portfolio. Equal opportunities for lending portfolios does not guarantee equal outcomes. Specifically, short and long-term outcomes for individual clients may vary due to asset mix, asset/liability spreads on different securities, and the overall limits imposed by the firm.

24. Changes to the Funds and Meetings of Unitholders

Changes to any Fund may be made in accordance with the following method of classification:

(i) A fundamental change is a change or event which:
   (a) changes the purpose or nature of the Fund; or
   (b) may materially prejudice a unitholder; or
   (c) alters the risk profile of the Fund; or
   (d) introduces any new type of payment out of scheme property.

   The Manager will obtain prior approval from unitholders to any fundamental change by way of an extraordinary resolution of the unitholders of the relevant Fund. See below for details of calling a meeting of unitholders.

(ii) A significant change is a change or event which the Manager and Trustee have determined is not a fundamental change but is a change which:
   (a) affects a unitholder's ability to exercise his rights in relation to his investment; or
   (b) would reasonably be expected to cause a unitholder to reconsider his participation in the relevant Fund; or
   (c) results in any increased payments out of the scheme property to the Manager or any of its associate companies; or
   (d) materially increases other types of payment out of scheme property.

   The Manager will give unitholders at least 60 days' notice in advance before implementing any significant change.

(iii) A notifiable change is a change or event, other than a fundamental change or a significant change, which is reasonably likely to affect or have affected the operation of a Fund.

(iv) The Manager will write to unitholders at their registered postal or e-mail address to give notice of any fundamental change or significant change. Unitholders who have requested notices to be given electronically will receive notice by e-mail to the e-mail address notified to the Manager. Depending on the nature of the change the Manager will inform unitholders of notifiable events either by:
   (a) sending of an immediate notification to unitholders; or
   (b) publishing information about the change on BlackRock's website; or
   (c) including it in the next report for the Fund.

Rules for the calling and conduct of meetings of unitholders and the voting rights of unitholders at such meetings are governed by the COLL Sourcebook and the Trust Deed. At a meeting of unitholders a resolution put to the vote shall be decided on a show of hands unless a poll is demanded by the Chairman, by the Trustee or by at least two unitholders present in person or by proxy. On a show of hands every unitholder who (being an individual) is present in person or, (being a corporation) is present by its representative properly authorised in that regard, has one vote. On a poll the voting right for each unit must be the proportion of the voting rights attached to all of the units in issue that the value of the unit bears to the aggregate value of all the units in issue. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

A corporation being a unitholder may authorise such a person as it thinks fit to act as its representative at any meeting of unitholders and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual unitholder.

In the case of joint unitholders any joint unitholder may vote provided that if more than one votes the most senior unitholder in the Register who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint unitholders.

On a poll votes may be given either personally or by proxy.

The Manager and its associates may hold units in the Funds. The Manager is entitled to receive notice of and attend any meeting but it is not entitled to vote or be counted in the quorum and its units are not regarded as being in issue in relation to such meetings. An associate of the Manager may be counted in the quorum and if in receipt of voting instructions may vote in respect of units held on behalf of a person who, if himself the registered unitholder, would be entitled to vote, and from whom the associate has received voting instructions.

25. Winding Up

A Fund may be wound up upon the happening of any of the following:

(i) the order declaring it to be an authorised unit trust scheme is revoked; or

(ii) in response to a request to the FCA by the Manager or the Trustee for the revocation of the order declaring it to be an authorised unit trust scheme the FCA has agreed, albeit subject to there being no material change in any relevant factor, that, on the conclusion of the winding up of a Fund, the FCA will accede to that request; or

(iii) the effective date of a duly approved scheme of arrangement, which is to result in the Fund being left with no property.

On a winding up (otherwise than in accordance with an approved scheme of arrangement) the Trustee is required as soon as practicable after a Fund falls to be wound up, to realise the property of a Fund and, after paying out of the Fund or retaining adequate provision for all liabilities properly so payable and retaining provision for the costs of the winding up, to distribute the proceeds of that realisation to the unitholders and the Manager (upon production by them of such evidence as the Trustee may reasonably require as to their entitlement) proportionately to their respective interests in a Fund as at the date of the relevant event. The Trustee may, in certain circumstances, (and with the agreement of the affected unitholders) distribute property of a Fund (rather than the proceeds on the realisation of that property) to unitholders on a winding-up.

Any unclaimed net proceeds or other cash held by the Trustee after the expiration of twelve months from the date on which the same became payable is to be paid by the Trustee into court subject to the Trustee having a right to retain from those net proceeds or other cash any expenses incurred in making the payment into court.

If a Fund is to be wound up in accordance with an approved scheme of arrangement, the Trustee is required to wind up a Fund in accordance with the resolution of unitholders approving such scheme. Distributions will only be made to unitholders entered on the register. Any net proceeds or cash (including unclaimed distribution payments) held by the Trustee which have not been claimed after 12 months will be paid into court, after the deduction by the Trustee of any expenses it may incur.

26. Allocation of Income

The income available for allocation is determined in accordance with the COLL Sourcebook and the Investment Management Association's Statement of Recommended Practice for Accounting Standards for Investment Funds (SORP).

Distributable income comprises all income received or receivable for the account of any Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, in accordance with the COLL Sourcebook, in relation to taxation and other matters.

Income on debt securities, such as bonds and other fixed interest securities is calculated using the "Effective Interest Rate" method, in accordance with the methodology laid down in the SORP.

The Effective Interest Rate method for calculating income generated from debt securities, treats any premiums and discounts arising on the purchase of a debt security (when compared to its maturity or par value) as income and this, together with any future expected income streams on the debt security, is amortised (written off) over the life of that security (to its maturity) and discounted back to its present value and included in calculation of distributable income.

For the purposes of allocating income, the Manager will determine on an annual basis, with reference to the objectives of a Fund, whether such income should exclude premiums and discounts arising on purchase of bonds attributed through the Effective Interest Rate method.

Each Fund will distribute income following the end of each of its accounting periods in relation to which it has an income allocation date. Each accounting period ends on an accounting date (either interim or final). The ex-dividend date and record date is the first day of the month following the end of the previous accounting reference period. Details of the accounting periods and income allocation dates for each Fund are set out in Appendix 1.

In relation to Accumulation units, any available income will become part of the capital property of a Fund as at the end of the relevant accounting period. In relation to Income units, any income distribution will be made on or before the relevant income allocation date for a Fund to those unitholders who are entitled to the allocation by evidence of their holding on the register at the previous accounting date for that Fund. If an income allocation date is not a Business Day, the allocation will be made on the preceding Business Day.

27. Additional Information

(i) Investor Profile: Units in the Funds are and will continue to be made widely available to the general public. Each Fund is available for investment by both retail and professional investors but all clients will be treated as retail investors. The Manager will not consider the suitability or appropriateness of an investment in the Funds for an investor's individual circumstances. Investors should be willing to accept capital and income risk, which may vary greatly from Fund to Fund. The Funds are not suitable for short term investment and should therefore generally be regarded as long-term investments. The price of units in a Fund, and any income from them, can go down as well as up and is not guaranteed.

(ii) A purchase or sale of units in writing, and/or by telephone is a legally binding contract.

(iii) Any person relying on the information contained in this Prospectus, which was current at the date shown, should check with the Manager that this document is the most recent version and that no revisions have been made nor corrections published to the information contained in this Prospectus since the date shown.

(iv) This document is important and unitholders should read all the information contained in it carefully. If unitholders are in any doubt as to the meaning of any information contained in this document, unitholders should consult either the Manager or their financial adviser. The Manager has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no material facts, the omission of which would make misleading any statement herein whether of fact or opinion.

(v) Annual and half-yearly reports on each of the Funds are available free of charge on request to the Manager and include a list of the particular Fund's holdings of securities. For information on the accounting dates pertaining to the reports of each of the Funds, please refer to Appendix 1. The annual reports will be published within four months of the accounting year end of the financial period to which they relate and half-yearly reports will be published within two months of the end of the half-year period to which they relate.

(vi) Complaints may be made about the operation of any of the Funds or any aspect of the service received to the Compliance Officer of the Manager at its registered address. If unitholders are not satisfied with the way the Manager handles a complaint, unitholders complain to the Financial Ombudsman Service, Exchange Tower, London E14 9SR (or visit the website at www.financial-ombudsman.org.uk). Tel: 0800 023 4567 or 0300 123 9 123 or email complaint.info@financial-ombudsman.org.uk.

Making a complaint will not prejudice a unitholder's right to take legal action. Written details of the Manager's complaints procedure, are available from the Manager upon request.

The Manager is covered by the Financial Services Compensation Scheme. Unitholders may be entitled to compensation from the scheme if the Manager cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100 per cent of the first £50,000, so the maximum compensation is £50,000. Further information about the Financial Services Compensation Scheme is available on request, or by contacting the FSCS at 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU (or visit the website at www.fscs.org.uk) Tel: 0800 678 1100.

(vii) Copies of the Trust Deed (including supplemental Trust Deeds), key investor information documents, the most recent annual and half-yearly Manager's Reports and the COLL Sourcebook may be inspected at the Manager's registered office during normal business hours. Copies of the Prospectus may be obtained from the Manager at its registered office free of charge and copies of the Trust Deed are available free of charge to unitholders and at a charge of up to £5 per copy for each Trust Deed for non-unitholders.

A unitholder may also obtain from the Manager's registered office information supplementary to this Prospectus relating to:

(a) the quantitative limits applying to risk management of each of the Funds;

(b) the methods used in relation to (i); and

(c) any recent development of the risk and yields of the main categories of investment.

(viii) **Data Protection**. Prospective unitholders and unitholders are referred to the privacy notice of the Manager, which is provided as an addendum to the application form by which prospective unitholders and unitholders apply to purchase units (the "Privacy Notice").

The Privacy Notice explains, among other things, how the Manager processes personal data about individuals who invest in the Funds or apply to invest in the Funds and personal data about the directors, officers, employees and ultimate beneficial owners of institutional investors.

The Privacy Notice may be updated from time to time. The latest version of the Privacy Notice is available at www.blackrock.com.

If you would like further information on the collection, use, disclosure, transfer or processing of your personal data or the exercise of any of the rights in relation to personal data as set out in the Privacy Notice, please address questions and requests to: The Data Protection Officer, BlackRock, 12 Throgmorton Avenue, London, EC2N 2DL.

(ix) By buying units in any of the Funds unitholders agree that they may be sent information about the BlackRock Group's other investment products and services. The Manager will not sell or pass on details about a unitholder to any other third party. If unitholders do not wish to give this consent or if they wish to exercise their right to receive a copy of the information that the Manager holds about them, please write to the Manager.

(x) The Funds are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or by the London Stock Exchange Plc (the "Exchange") or by The Financial Times Limited ("FT") and neither FTSE nor Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of any Index and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. Each Index is compiled and calculated by FTSE. However, neither FTSE nor Exchange nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE or Exchange or FT shall be under any obligation to advise any person of any error therein." ""FTSE®", "FT-SE®" and "Footsie®" are trade marks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited under licence. "All-World", "All-Share" and "All-Small" are trade marks of FTSE International Limited*."*

(xi) The iShares Overseas Government Bond Index Fund (UK) (the "Fund") is not sponsored, endorsed, sold or promoted by JPMorgan. JPMorgan makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the JP Morgan Global Government Bond Index ex UK (the "Index") to track general bond market performance. JPMorgan's only relationship to BlackRock is the licensing of the Index which is determined, composed and calculated by JPMorgan without regard to BlackRock or the Fund. JPMorgan is not responsible for and has not participated in the determination of, the timing of, price at, or quantities of the Fund to be issued or in the determination or calculation of the equation by which the Fund is to be converted into cash. JPMorgan has no obligation or liability in connection with the administration, marketing or trading of the Fund.

THE INDEX AND THE FUND ARE PROVIDED "AS IS" WITH ANY AND ALL FAULTS. JPMORGAN DOES NOT GUARANTEE THE AVAILABILITY, SEQUENCE, TIMELINESS, QUALITY,

ACCURACY AND/OR THE COMPLETENESS OF THE INDEX AND/OR THE FUND AND/OR ANY DATA INCLUDED THEREIN, OR OTHERWISE OBTAINED BY BLACKROCK, OWNERS OF THE FUND, OR BY ANY OTHER PERSON OR ENTITY FROM ANY USE OF THE INDEX AND/OR FUND. JPMORGAN MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN, OR OTHERWISE OBTAINED BY BLACKROCK, OWNERS OF THE FUND, OR BY ANY OTHER PERSON OR ENTITY FROM ANY USE OF THE INDEX AND/OR FUND THERE ARE NO REPRESENTATIONS OR WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE OF THIS DOCUMENT, IF ANY, ALL WARRANTIES AND REPRESENTATION OF ANY KIND WITH REGARD TO THE INDEX AND/OR FUND, ARE DISCLAIMED INCLUDED ANY IMPLIED WARRANTIES OF MERCHANTABILITY, QUALITY, ACCURACY, FITNESS FOR A PARTICULAR PURPOSE AND/OR AGAINST INFRINGEMENT AND/OR WARRANTIES AS TO ANY RESULTS TO BE OBTAINED BY AND/OR FROM THE USE OF THE INDEX AND/OR THE FUND. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL JPMORGAN HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, DIRECT, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDED LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

(xii) The iShares Corporate Bond Index Fund (UK) data is derived from a source considered reliable, but Markit Indices Limited (“MIL”) and its employees, suppliers, subcontractors and agents (together MIL Associates) do not guarantee the veracity, completeness or accuracy of the iShares Corporate Bond Index Fund (UK)’s data or other information furnished in connection with the iShares Corporate Bond Index Fund (UK). No representation, warranty or condition, express or implied, statutory or otherwise, as to condition, satisfactory quality, performance, or fitness for purpose are given or assumed by MIL or any of the MIL Associates in respect of the iShares Corporate Bond Index Fund (UK) or any data included in it or the use by any person or entity of the iShares Corporate Bond Index Fund (UK) or that data and all those representations, warranties and conditions are excluded save to the extent that such exclusion is prohibited by law.

MIL and the MIL Associates shall have no liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities whether caused by the negligence of MIL or any of the MIL Associates or otherwise, arising in connection with the iShares Corporate Bond Index Fund (UK).

(xiii) The BlackRock Corporate Bond 1-10 Year Fund (the “Fund”) invests in fixed income securities in the Bank of America Merrill Lynch Sterling Corporate Securities 1-5 Year Index and the Bank of America Merrill Lynch Sterling Corporate Securities 5-10 Year Index (the “Indices”). Merrill Lynch & Co., Inc. (“Merrill Lynch”) does not guarantee the quality, accuracy, and/or completeness of the Indices or any data included therein, or, otherwise obtained or derived by any person or entity from the use of the Indices and shall not be liable to the Manager, its affiliates or any third party (including unitholders) for any direct, indirect or special damages or losses of any kind as a result of the Manager’s access to and use of the Indices provided hereunder. While it is Merrill Lynch's intent to publish the above mentioned indices on an ongoing basis it cannot guarantee or represent its continued involvement as compilers of any index and reserves the right to cease providing the Indices and data if it ceases compiling the Indices or ceases making such Indices publicly available.

(xiv) The iShares Overseas Corporate Bond Index Fund (UK) (the “Fund”) is not sponsored or endorsed by Barclays. Barclays makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the Barclays Index to track general bond market performance. The Barclays Index is determined, composed and calculated by Barclays without regard to the Licensee or the Fund. Barclays has no obligation to take the needs of the Licensee and the Fund or the owners of the Fund into consideration in determining, composing or calculating the Barclays Index. Barclays is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of units in the Fund to be issued. Barclays has no obligation of liability in connection with the administration, marketing or trading of the Fund.

BARCLAYS DOES NOT GUARANTEE THE QUALITY, ACCURACY AND/OR THE COMPLETENESS OF THE BARCLAYS INDEX OR ANY DATA INCLUDED THEREIN, OR OTHERWISE OBTAINED BY LICENSEE, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE BARCLAYS INDEX IN CONNECTION WITH THE LICENSED RIGHTS OR FOR ANY OTHER USE. BARCLAYS MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE BARCLAYS INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL

BARCLAY HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

(xv) In accordance with FCA regulations, the Manager is required to provide details of the relevant Fund's Benchmark Index (including the index constituents). The Manager has included details of the relevant index provider's website ("Website") to enable unitholders to obtain these further details. The Manager has no responsibility for each Website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of each Website or the contents thereof.

(xvi) If you are unable to locate a Benchmark Index's constituents from the relevant website given in Appendix 1 below then please contact the Investor Services Team on Freephone 0800 445522.

28. Risk Management Process

Risk Management

The Manager is required by the COLL Sourcebook to employ a risk management process in respect of the Funds which enables it to accurately monitor and manage the global exposure from financial derivative instruments ("global exposure") which each Fund gains.

For all Funds except the BlackRock Balanced Managed Fund, the Manager uses a methodology known as the "Commitment Approach" in order to measure the global exposure of the Funds and manage the potential loss to them due to market risk. The Commitment Approach is a methodology that aggregates the underlying market or notional values of derivative instruments to determine the degree of global exposure of a Fund to derivative instruments.

In accordance with COLL, the global exposure for a Fund must not exceed 100% of that Fund's net asset value.

For the BlackRock Balanced Managed Fund, the Manager uses a methodology known as "Value at Risk" ("VaR") in order to measure the global exposure of the Fund and manage the potential loss to it due to market risk.

The VaR methodology measures the potential loss to a fund at a particular confidence (probability) level over a specific time period and under normal market conditions. The Manager uses the 99 per cent confidence interval and one month measurement period for the purposes of carrying out this calculation.

There are two types of VaR measure which can be used to monitor and manage the global exposure of a fund: "Relative VaR" and "Absolute VaR". Relative VaR is where the VaR of a fund is divided by the VaR of an appropriate benchmark or reference portfolio, allowing the global exposure of a fund to be compared to, and limited by reference to, the global exposure of the appropriate benchmark or reference portfolio. The COLL Sourcebook specifies that the VaR of a fund must not exceed twice the VaR of its benchmark. Absolute VaR is commonly used as the relevant VaR measure for absolute return style funds which do not have a benchmark or other funds where a benchmark or reference portfolio is not appropriate for risk measurement purposes. The COLL Sourcebook specifies that the monthly VaR measure for such a fund must not exceed 20 per cent of that fund's net asset value.

The Manager uses Relative VaR to monitor and manage the global exposure of the BlackRock Balanced Managed Fund. The appropriate benchmark/reference portfolio used in the calculation is disclosed below.

29. Regulation (EU) 2015/2365 of the European Parliament and of the Council: the Securities Financing Transaction Regulation

The Funds may use securities financing transactions to help meet the investment objective of a Fund and/or as part of efficient portfolio management. For further detail please refer to Appendix 7.

BlackRock select from an extensive list of full service and execution-only brokers and counterparties. All prospective and existing counterparties require the approval of the Counterparty and Concentration Risk Group ("**CCRG**"), which is part of BlackRock's independent Risk & Quantitative Analysis department ("**RQA**").

In order for a new counterparty to be approved, a requesting portfolio manager or trader is required to submit a request to the CCRG. The CCRG will review relevant information to assess the credit-worthiness of the proposed counterparty in combination with the type and settlement and delivery mechanism of the proposed security transactions. A list of approved trading counterparties is maintained by the CCRG and reviewed on an on-going basis.

Counterparty reviews take into account the fundamental creditworthiness (ownership structure, financial strength, regulatory oversight) and commercial reputation of specific legal entities in conjunction with the nature and structure of proposed trading activities. Counterparties are monitored on an ongoing basis through the receipt of audited and interim financial statements, via alert portfolios with market data service providers, and where applicable, as part of BlackRock's internal research process. Formal renewal assessments are performed on a cyclical basis.

BlackRock select brokers based upon: (a) their ability to provide good execution quality (i.e. trading), whether on an agency or a principal basis; (b) their execution capabilities in a particular market segment; and (c) their operational quality and efficiency. We expect them to adhere to regulatory reporting obligations.

Once a counterparty is approved by the CCRG, broker selection for an individual trade is then made by the relevant dealer at the point of trade, based upon the relative importance of the relevant execution factors.

For some trades, it is appropriate to enter into a competitive tender amongst a shortlist of brokers. BlackRock perform pre-trade analysis to forecast transaction cost and to guide the formation of trading strategies including selection of techniques, division between points of liquidity, timing and selection of broker. In addition, BlackRock monitors trade results on a continuous basis.

Broker selection will be based on a number of factors including, but not limited to the following:

- Ability to execute and execution quality;
- Ability to provide Liquidity/capital;
- Price and quote speed;
- Operational quality and efficiency; and

Adherence to regulatory reporting obligations.

(I) Acceptable Collateral and valuation:

(a) collateral obtained in respect of derivatives (including forward exchange) and efficient portfolio management techniques, such as repo transactions or securities lending arrangements ("Collateral"), must comply with the following criteria:

liquidity: Collateral (other than cash) should be sufficiently liquid in order that it can be sold at a price that is close to its pre-sale valuation;

(ii) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;

(iii) issuer: Collateral (other than cash) may be issued by a range of issuers;

(iv) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

(v) diversification: there is no restriction on the level of diversification required with respect to any country, market or issuer; and

(vi) maturity: Collateral received may have a maturity date such as bonds or may not have a maturity date such as cash and equity.

(b) The value of Collateral obtained is marked to market on a daily basis. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the general intention of BlackRock that any Collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate. In addition, BlackRock has implemented a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral and the price volatility of the Collateral.

30. Regulation (EU) 2016/1011 of the European Parliament and of the Council (the "Benchmark Regulation")

If a Fund tracks a benchmark index, or is managed by reference to a benchmark index, or uses a benchmark index to compute a performance fee (in each case a "Benchmark Index"), the Manager works with the benchmark administrator of that Benchmark Index to confirm that such benchmark administrator is, or intends to get itself, included in the register maintained by ESMA under the Benchmark Regulation (the "Benchmark Regulation Register").

The list of benchmark administrators that are included in the Benchmark Regulation Register is available on ESMA's website at www.esma.europa.eu.

As at the date of this prospectus, the following benchmark administrators of the Benchmark Indices are included in the Benchmark Regulation Register:

- IHS Markit Benchmark Administration Limited; and
- FTSE International Limited.

As at the date of this prospectus, the following benchmark administrators of the Benchmark Indices are not included in the Benchmark Regulation Register:

- Bloomberg Index Services Limited;
- ICE Data Services; and
- J.P. Morgan Securities LLC.

The benchmark administrators that are not included in the Benchmark Regulation Register listed above continue to provide Benchmark Indices on the basis of the transition period provided under the Benchmark Regulation. It is expected that these benchmark administrators will file an application for authorisation or registration as benchmark administrators in advance of 1 January 2020, being the end of the transition period, in accordance with the Benchmark Regulation requirements. The Manager will monitor the Benchmark Regulation Register and, if there are any changes, this information will be updated in the Prospectus at the next opportunity. The Manager has in place and maintains robust written plans setting out the actions that it would take in the event that a benchmark index is materially changed or ceases to be provided.

Pursuant to these written plans, where the Manager is notified by the benchmark administrator of a material change or cessation of a Benchmark Index, the Manager will assess the impact of a material change to the Benchmark Index on the relevant Fund and, where it determines appropriate or in the event of the cessation of a Benchmark Index, consider substituting another index for the Benchmark Index. Prior unitholder approval will be sought in advance where a change of the Benchmark Index constitutes a change to the investment objective and/or a material change to the investment policy of a

Fund. Where the Manager is unable to substitute another index for the Benchmark Index, the Directors may resolve to seek the winding up of the Fund to the extent reasonable and practicable.

APPENDIX 1 Details of each of the Funds

BlackRock Balanced Managed Fund

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 21 June 2005 and was authorised by the FCA on 21 June 2005. The Fund was previously known as Merrill Lynch Balanced Managed Fund. It adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 645667.

Investment Objective and Policy

The aim of the Fund is to seek to achieve a total return by investment mainly in a global portfolio of equities and fixed interest securities with an emphasis on the UK. Investment will be made directly into equities and via other transferable securities giving exposure to such equities. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Type of units	Class A Accumulation (Class A Income units available to launch at the Manager's discretion)
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment for each type of unit	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Current Charges*	Preliminary 5% Annual 1.5%
Annual Accounting date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Relative VaR using the composite benchmark made up of 30% FTSE All Share / 45% FTSE World ex-UK / 25% BofA ML 1-15 Yr Sterling Broad Market Index as the appropriate benchmark. Please note that this benchmark index is used for calculating the maximum VaR of the Fund for risk management purposes (as set out in section 28 (Risk Management Process)) and therefore no inference should be made by investors regarding the performance of the Fund relative to this benchmark.

+Further details are given in the paragraph titled "Minimum Investment/Holdings" in this Prospectus.

*Further details are given in the paragraph titled "Charges" in this Prospectus.

iShares Continental European Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 21 June 2005 and was authorised by the FCA on 21 June 2005. The Fund was previously known as Merrill Lynch Continental European Equity Tracker Fund. It adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 645668.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE World Europe ex UK Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

Unitholders should note that the FTSE World Europe ex UK Index was previously called the FTSE Continental Europe Index.

The FTSE World Europe ex UK Index is a free float-adjusted market capitalisation weighted index representing the performance of the large and mid cap stocks from 19 Developed and Advanced Emerging countries within Europe, excluding the UK. The Benchmark index is part of the FTSE Global Equity Index Series, which covers 90-95 per cent of the investable market capitalisation. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class H Accumulation Class H Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100
+Minimum withdrawal	£250

Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.080%
Class H units	Preliminary 5% Annual 0.080%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.
*Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares Corporate Bond Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. This Fund launched on 30 June 2010. This Fund was approved by the FCA on 28 April 2010. The Fund's FCA product reference number is 645676.

Investment Objective and Policy

The aim of the Fund is to seek to achieve a total return for investors by tracking closely the performance of the Markit iBoxx GBP Non-Gilts Overall TR Index by investing in fixed income securities contained in the Index. Investment will be made directly into constituent issues and via other transferable securities giving exposure to such issues. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The Markit iBoxx GBP Non-Gilts Overall TR Index measures the performance of fixed income securities denominated in Sterling issued by governments, government agencies, companies and supranationals (e.g. the International Bank for Reconstruction and Development) but excludes gilts (i.e. bonds) issued by the UK government. These may include fixed income securities which pay income according to a fixed rate of interest and will be investment grade (i.e. meet a specified level of credit worthiness) at the time of inclusion in the Benchmark Index.

The Benchmark Index is valued daily at midday and rebalances on a monthly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at: https://products.markit.com/home/login.jsp

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income Class H Accumulation Class H Income Class L Accumulation Class L Income Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100
+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250

Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class H units	Preliminary 5% Annual 0.10%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year.
Annual Income Allocation Date	30 April (Income is allocated on a calendar month basis for Class D Income Units and Class L Income Units).
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled "Minimum Investment/Holdings" in this Prospectus.
*Further details are given in the paragraph titled "Charges" in this Prospectus.

BlackRock Corporate Bond 1-10 Year Fund

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was launched on 21 June 2010 and was authorised by the FCA on 28 April 2010. The Fund's FCA product reference number is 645675.

Investment Objective and Policy

The aim of the Fund is to seek to achieve a total return for investors by tracking closely the performance of a composite benchmark comprising of the Bank of America Merrill Lynch Sterling Corporate Securities 1-5 Year Index and the Bank of America Merrill Lynch Sterling Corporate Securities 5-10 Year Index by investing in the fixed income securities contained in those indices. Investment will be made directly into constituent issues and via other transferable securities giving exposure to such issues. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Indices Description

The Bank of America Merrill Lynch Sterling Corporate Securities 1-5 year Index and the Bank of America Merrill Lynch £ Sterling Corporate Securities 5-10 Year Index measure the performance of Sterling denominated fixed income securities publicly issued by companies in the Eurobond or UK markets. The fixed income securities will pay income according to a fixed rate of interest and will be investment grade (i.e. meet a specified level of credit worthiness) at the time of inclusion in the Benchmark Indices. They will have a time to maturity (i.e. the time until they become due for repayment) between 1 and 10 years.

The Benchmark Indices rebalance on a monthly basis. Further details regarding the Benchmark Indices (including their constituents) are available on the index provider's website at www.mlindex.ml.com

The composite benchmark will be rebalanced between the Bank of America Merrill Lynch Sterling Corporate Securities 1-5 year Index and the Bank of America Merrill Lynch £ Sterling Corporate Securities 5-10 Year Index on an annual basis (or more frequently at the Investment Manager's discretion). The allocation between the two indices will be determined at the Investment Manager's discretion so that the effective duration will be similar to the 5 year UK swap rate.

Unitholders should note that following its launch, until such time as the Fund reaches a size which will allow it to meet its investment objective through direct holdings of transferable securities, the Fund may use derivatives for efficient portfolio management to a greater degree in order to gain its exposure to the relevant transferable securities.

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income (available to launch at the Manager's discretion)
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class L Units	Initially £1,000,000

	thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled "Minimum Investment/Holdings" in this Prospectus.
* Further details are given in the paragraph titled "Charges" in this Prospectus.

iShares Developed Asia Pacific Ex Japan Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. This Fund is not yet launched.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE Developed Asia Pacific ex-Japan Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE Developed Asia Pacific ex-Japan Index is one of a range of indices designed to help investors benchmark their Asia Pacific investments. The Benchmark Index is a free float-adjusted market capitalisation weighted index which comprises Large and Mid cap stocks providing coverage of the Developed markets in Asia Pacific excluding Japan. The Benchmark Index is derived from the FTSE Global Equity Index Series (GEIS), which covers 98 per cent of the world's investable market capitalisation. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Unitholders should note that following its launch, until such time as the Fund reaches a size which will allow it to meet its investment objective through direct holdings of transferable securities, the Fund may use derivatives for efficient portfolio management to a greater degree in order to gain its exposure to the relevant transferable securities

Type of units	Class A Accumulation (available to launch at the Manager's discretion) Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class L Accumulation (available to launch at the Manager's discretion) Class L Income (available to launch at the Manager's discretion) Class X Accumulation (available to launch at the Manager's discretion) Class X Income (available to launch at the Manager's discretion)
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Not yet available. Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250

Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.
* Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares Emerging Markets Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund authorised by the FCA on 27 October 2009 and the Fund was launched on 20 November 2009. The Fund's FCA product reference number is 645674.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE Emerging Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

FTSE Emerging Markets indices are part of the FTSE Global Equity Index Series (GEIS). The series includes large and mid cap securities from advanced and secondary emerging markets, classified in accordance with FTSE's transparent Country Classification Review Process. The Benchmark Index provides investors with a comprehensive means of measuring the performance of the most liquid companies in the emerging markets. The Benchmark Index is a free float adjusted market capitalisation weighted index. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class H Accumulation Class H Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income Class X Accumulation Class X Income (available to launch at the Manager's discretion)
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100

+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Not yet available. Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.50%
Class D units	Preliminary Nil Annual 0.20%
Class H units	Preliminary 5% Annual 0.18%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled "Minimum Investment/Holdings" in this Prospectus.
*Further details are given in the paragraph titled "Charges" in this Prospectus.

iShares Global Property Securities Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 15 November 2010 and was authorised by the FCA on 3 June 2010. The Fund's FCA product reference number is 645677.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE EPRA/NAREIT Developed Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE EPRA/NAREIT Global Real Estate Index Series covers the world's largest investment markets and includes a range of regional and country indices, capped indices, Dividend+ indices, Global Sectors, Investment Focused and REITs and Non-REITs series. The Benchmark Index is a free float-adjusted market capitalisation weighted index which is designed to track the performance of listed real estate companies and REITS worldwide. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at: http://www.ftse.com/Indices/

Unitholders should note that following its launch, until such time as the Fund reaches a size which will allow it to meet its investment objective through direct holdings of transferable securities, the Fund may use derivatives for efficient portfolio management to a greater degree in order to gain its exposure to the relevant transferable securities.

Type of units	Class A Accumulation Class A Income Class D Accumulation Class D Income Class H Accumulation Class H Income Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income (available to launch at the Manager's discretion)
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100
+Minimum withdrawal	£250

Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.50%
Class D units	Preliminary Nil Annual 0.20%
Class H units	Preliminary 5% Annual 0.18%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.
*Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares Index Linked Gilt Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was established on 29 June 2012 and was authorised by the FCA on 25 May 2012. The Fund's FCA product reference number is 645680.

Investment Objective and Policy

The aim of the Fund is to seek to achieve a total return for investors by tracking closely the performance of the FTSE Actuaries UK Index Linked Gilts Over 5 Years Index by investing in fixed income securities contained in the Index. Investment will be made directly into constituent issues and via other transferable securities giving exposure to such issues. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE Actuaries UK Index Linked Gilts Over 5 Years Index measures the performance of UK domestic Government index-linked bonds. It consists of fixed income securities denominated in Sterling that pay coupon (i.e. interest) and principal in Sterling, and are issued by the UK Government. The fixed income securities must be capital-indexed and linked to an eligible inflation index (i.e. their principal value is protected against inflation). The fixed income securities will have a credit rating at the time of inclusion in the benchmark index linked to that of the UK Government. They will have a time to maturity (i.e. the time until they become due for repayment) of at least 5 years.

The Benchmark Index is valued daily at midday and rebalances as and when required in line with bond maturities and new issuance within the UK gilt market. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Unitholders should note that following its launch, until such time as the Fund reaches a size which will allow it to meet its investment objective through direct holdings of transferable securities, the Fund may use derivatives for efficient portfolio management to a greater degree in order to gain its exposure to the relevant transferable securities.

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class H Accumulation Class H Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000

	thereafter £100
+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class H units	Preliminary 5% Annual 0.10%
Class L units	Preliminary: Nil Annual: 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+ Further details are given in the paragraph titled "Minimum Investment/Holdings" in this Prospectus.

* Further details are given in the paragraph titled "Charges" in this Prospectus.

iShares Japan Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 21 June 2005 and was authorised by the FCA on 21 June 2005. The Fund was previously known as Merrill Lynch Japan Equity Tracker Fund. It adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 645670.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE Japan Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE Japan Index is a free float-adjusted market capitalisation weighted index comprised of large and mid cap Japanese companies that are constituents of the FTSE All-World Index. The FTSE All-World Index in turn represents the Large and Mid Cap companies within the FTSE Global Equity Index Series (GEIS). Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Unitholders should note that up until 1 November 2005 this Fund tracked the Topix 1st Section Index.

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class H Accumulation Class H Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100

+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class H units	Preliminary 5% Annual 0.10%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

\+ Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.

* Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares Mid Cap UK Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was established on 29 June 2012 and was authorised by the FCA on 25 May 2012. The Fund's FCA product reference number is 645681.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE 250 Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE 250 Index is a free float-adjusted market capitalisation weighted index representing the performance of the next 250 largest UK companies, outside of the FTSE 100 which pass screening for size, liquidity and nationality. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Unitholders should note that following its launch, until such time as the Fund reaches a size which will allow it to meet its investment objective through direct holdings of transferable securities, the Fund may use derivatives for efficient portfolio management to a greater degree in order to gain its exposure to the relevant transferable securities.

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income (available to launch at the Manager's discretion)
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class L Units	Initially £1,000,000

	thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class L units	Preliminary: Nil Annual: 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

\+ Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.

* Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares North American Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 21 June 2005 and was authorised by the FCA on 21 June 2005. The Fund was previously known as Merrill Lynch North American Equity Tracker Fund. It adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 645671.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE World North America Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE World North America Index is a free float-adjusted market capitalisation weighted index representing the performance of the large and mid cap stocks in the US and Canada. The Benchmark Index is part of the FTSE Global Equity Index Series, which covers 90-95 per cent of the investable market capitalisation. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Unitholders should note that up until 1 November 2005 this Fund tracked the S&P 500 Index. From 1 November 2005 until close of business on 30 September 2010 the Fund tracked the performance of the FTSE World Americas Index.

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class H Accumulation Class H Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income (available to launch at the Manager's discretion)
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000

	thereafter £100
+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.065%
Class H units	Preliminary 5% Annual 0.065%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+ Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.
* Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares Over 15 Years Corporate Bond Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. This Fund was authorised on 30 July 2018 and launched on 24 September 2018.

Investment Objective and Policy
The aim of the Fund is to seek to achieve a total return for investors by tracking closely the performance of the Markit iBoxx GBP Non-Gilts Over 15 Years Index by investing in fixed income securities contained in the index. Investment will be made directly into constituent issues and via other transferable securities giving exposure to such issues. The Fund will hold fixed income securities that are corporate bonds and will also hold non-corporate bonds. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes (which may be Associated Funds). Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description
The Markit iBoxx GBP Non-Gilts Over 15 Years Index measures the performance of fixed income securities denominated in Sterling issued by governments, government agencies, companies and supranationals (e.g. the International Bank for Reconstruction and Development) and includes collateralised debt obligations for example asset backed securities and mortgage backed securities, but excludes gilts (i.e. bonds) issued by the UK government. These may include fixed income securities which pay income according to a fixed rate of interest and will be investment grade (i.e. meet a specified level of credit worthiness) at the time of inclusion in the Benchmark Index. They will have a minimum remaining time to maturity (i.e. the time until they become due for repayment) of 15 years).

The Benchmark Index is valued daily at midday and rebalances on a monthly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at www.markit.com/indices.

Type of units	Class A Accumulation Class A Income Class D Accumulation Class D Income Class L Accumulation Class L Income Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Not yet available. Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class L Units	Not yet available. Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250

***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

\+ Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.

* Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares Over 15 Years Gilts Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. This Fund was authorised on 28 April 2010 and launched on 23 March 2017.

Investment Objective and Policy

The aim of the Fund is to seek to achieve a total return for investors by tracking closely the performance of the FTSE Actuaries UK Conventional Gilts Over 15 Years Index by investing in fixed income securities contained in the Index. Investment will be made directly into constituent issues and via other transferable securities giving exposure to such issues. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE Actuaries UK Conventional Gilts Over 15 Years Index measures the performance Sterling denominated UK Government fixed income securities (gilts). The fixed income securities will have a credit rating which reflects that of the UK Government. The fixed income securities will pay income according to a fixed rate of interest. They will have a minimum remaining time to maturity (i.e. the time until they become due for repayment) of 15 years.

The Benchmark Index is valued daily at midday and rebalances as and when required in line with bond maturities and new issuance within the UK gilt market. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Type of units	Class X Accumulation Class A Accumulation available to launch at the Manager's discretion) Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class L Accumulation (available to launch at the Manager's discretion) Class L Income (available to launch at the Manager's discretion) Class X Income (available to launch at the Manager's discretion)
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Not yet available. Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class L Units	Not yet available. Initially £1,000,000 thereafter £100

+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+ Further details are given in the paragraph titled "Minimum Investment/Holdings" in this Prospectus.

* Further details are given in the paragraph titled "Charges" in this Prospectus.

iShares Overseas Corporate Bond Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 28 January 2011 and was authorised by the FCA on 28 April 2010. The Fund's FCA product reference number is 645678.

Investment Objective and Policy

The aim of the Fund is to seek to achieve a total return for investors by tracking closely the performance of the Barclays Global Aggregate Corporate ex GBP Index by investing in fixed income securities contained in the Index. Investment will be made directly into constituent issues and via other transferable securities giving exposure to such issues. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The Barclays Global Aggregate Corporate ex GBP Index is made up of approximately 7,000 bonds. Due to its size it contains some very small lines of stock as well as some which can only be traded in minimum size increments. This combined with the sheer size of the Index means that it is not practical for the Fund to invest in every line of stock in the Index but instead the Investment Manager uses an investment technique known as stratified sampling. This means that the Fund will hold a subset of the lines of stock that make up the Index. This should result in the Fund being able to closely track the performance of the Index but without incurring the costs of holding every single line of stock.

The Barclays Global Aggregate Corporate ex GBP Index measures the performance of fixed income securities issued by companies in global markets, excluding issues denominated in Pound Sterling. The fixed income securities will pay income according to a fixed rate of interest and will be investment grade (i.e. meet a specified level of credit worthiness) at the time of inclusion in the Benchmark Index. They will have a minimum remaining time to maturity (i.e. the time until they become due for repayment) of 1 year.

The Benchmark Index rebalances on a monthly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://index.barcap.com/index.dxml?pageId=4377

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income Class H Accumulation Class H Income Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100
+Minimum withdrawal	£250

Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Not yet available. Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class H units	Preliminary 5% Annual 0.10%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled "Minimum Investment/Holdings" in this Prospectus.
* Further details are given in the paragraph titled "Charges" in this Prospectus.

iShares Overseas Government Bond Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 28 January 2011 and was authorised by the FCA on 28 April 2010. The Fund's FCA product reference number is 645679.

Investment Objective and Policy

The aim of the Fund is to seek to achieve a total return for investors by tracking closely the performance of the JP Morgan Global Government Bond Index ex UK by investing in fixed income securities contained in the Index. Investment will be made directly into constituent issues and via other transferable securities giving exposure to such issues. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The JP Morgan Global Government Bond Index ex UK measures the performance of fixed income securities issued by governments of countries excluding the UK. The fixed income securities will pay income according to a fixed rate of interest and will have a credit rating which reflects that of the relevant government. They will have a minimum remaining time to maturity (i.e. the time until they become due for repayment) of 1 year.

The Benchmark Index rebalances on a monthly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.jpmorgan.com/pages/jpmorgan/investbk/solutions/research/indices/composition

This Fund is not available for sale in Japan.

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class H Accumulation Class H Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income (available to launch at the Manager's discretion)
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100

+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Not yet available. Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class H units	Preliminary 5% Annual 0.10%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach.

+Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.
* Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares Pacific ex Japan Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 21 June 2005 and was authorised by the FCA on 21 June 2005. The Fund was previously known as Merrill Lynch Pacific ex Japan Equity Tracker Fund. It adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 645672.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE World Asia-Pacific ex-Japan Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE World Asia Pacific ex-Japan Index is a free float-adjusted market capitalisation weighted index representing the performance of the large and mid cap stocks from 8 Developed and Advanced Emerging countries in the Asia Pacific region, excluding Japan. The Benchmark Index is part of the FTSE Global Equity Index Series, which covers 90-95 per cent of the investable market capitalisation. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class H Accumulation Class H Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100
+Minimum withdrawal	£250

Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class H units:	Preliminary 5% Annual 0.10%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled "Minimum Investment/Holdings" in this Prospectus.
*Further details are given in the paragraph titled "Charges" in this Prospectus.

iShares 100 UK Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was established on 29 June 2012 and was authorised by the FCA on 25 May 2012. The Fund's FCA product reference number is 645683.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE 100 Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE 100 Index is a free float-adjusted market capitalisation weighted index representing the performance of the 100 largest UK companies, which pass screening for size, liquidity and nationality. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Unitholders should note that following its launch, until such time as the Fund reaches a size which will allow it to meet its investment objective through direct holdings of transferable securities, the Fund may use derivatives for efficient portfolio management to a greater degree in order to gain its exposure to the relevant transferable securities.

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class H Accumulation (available to launch at the Manager's discretion) Class H Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100

+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.055%
Class H units	Preliminary 5% Annual 0.055%
Class L units	Preliminary: Nil Annual: 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.
*Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares 350 UK Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds, a UCITS scheme under the COLL Sourcebook. The Fund was established on 30 September 2013 and was authorised by the FCA on 6 September 2013. The Fund's FCA product reference number is 645684.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE 350 Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE 350 Index is a free float-adjusted market capitalisation weighted index representing the performance of the 350 largest UK companies. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250

***Current Charges:**	
Class A units	Preliminary: 5% Annual: 0.45%
Class D units	Preliminary: Nil Annual: 0.15%
Class L units	Preliminary: Nil Annual: 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.

*Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares UK Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 21 June 2005 and was authorised by the FCA on 21 June 2005. The Fund was previously known as Merrill Lynch UK Equity Tracker Fund. It adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 645673.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE All Share Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE All Share Index represents the performance of all eligible companies listed on the London Stock Exchange's (LSE) main market, which pass screening for size and liquidity. The Benchmark Index is a free float-adjusted market capitalisation weighted index which captures 98 per cent of the UK's market capitalisation. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class H Accumulation Class H Income (available to launch at the Manager's discretion) Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100
+Minimum withdrawal	£250
Class L Units	Initially £1,000,000

	thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.055%
Class H units	Preliminary 5% Annual 0.055%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.
*Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares UK Gilts All Stocks Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 21 June 2005 and was authorised by the FCA on 21 June 2005. The Fund was previously known as Merrill Lynch Fixed Income Tracker Fund and more recently as BlackRock Fixed Income Tracker Fund. It adopted its present name with effect from 24 May 2010. The Fund's FCA product reference number is 645669.

Investment Objective and Policy

The aim of the Fund is to seek to achieve a total return for investors by tracking closely the performance of the FTSE Actuaries UK Conventional Gilts All Stocks Index by investing in fixed income securities contained in the Index. Investment will be made directly into constituent issues and via other transferable securities giving exposure to such issues. The Fund may also invest in other transferable securities, permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE Actuaries UK Conventional Gilts All Stocks Index measures the performance of Sterling denominated UK Government fixed income securities (gilts). The fixed income securities will have a credit rating which reflects that of the UK Government. The fixed income securities will pay income according to a fixed rate of interest.

The Benchmark Index is valued daily at midday and rebalances as and when required in line with bond maturities and new issuance within the UK gilt market. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Type of units	Class A Accumulation Class A Income Class D Accumulation Class D Income Class H Accumulation Class H Income Class L Accumulation Class L Income (available to launch at the Manager's discretion) Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100
+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000

	thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class H units	Preliminary 5% Annual 0.10%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.
*Further details are given in the paragraph titled “Charges” in this Prospectus.

iShares US Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 29 June 2012 and was authorised by the FCA on 28 April 2010. The Fund's FCA product reference number is 645682.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE USA Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE USA Index is a free float-adjusted market capitalisation weighted index representing the performance of large and mid cap stocks listed in the US (though not necessarily incorporated in the US). The Benchmark Index is part of the FTSE Global Equity Index Series, which covers 90-95 per cent of the investable market capitalisation. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the Benchmark Index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Unitholders should note that following its launch, until such time as the Fund reaches a size which will allow it to meet its investment objective through direct holdings of transferable securities, the Fund may use derivatives for efficient portfolio management to a greater degree in order to gain its exposure to the relevant transferable securities.

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class H Accumulation (available to launch at the Manager's discretion) Class H Income Class L Accumulation Class L Income Class X Accumulation Class X Income
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class H Units	Initially £50,000,000 thereafter £100

+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.065%
Class H units	Preliminary 5% Annual 0.065%
Class L Units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled “Minimum Investment/Holdings” in this Prospectus.

* Further details are given in the paragraph titled “Charges” in this Prospectus

iShares World Ex UK Equity Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. This Fund is not yet launched.

Investment Objective and Policy

The aim of the Fund is to seek to achieve capital growth for investors by tracking closely the performance of the FTSE Developed ex UK Index by investing in companies in the Index. Investment will be made directly into constituent companies and via other transferable securities giving exposure to such companies. The Fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

Benchmark Index Description

The FTSE Developed ex UK Index is one of a range of indices designed to help investors benchmark their international investments. Comprising the Large and Mid cap stocks of all Developed markets excluding the UK, the Benchmark Index provides extensive coverage of developed markets globally. The Benchmark Index is a free float-adjusted market capitalisation weighted index. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the benchmark index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at http://www.ftse.com/Indices/

Type of units	Class A Accumulation Class A Income (available to launch at the Manager's discretion) Class D Accumulation Class D Income (available to launch at the Manager's discretion) Class L Accumulation (available to launch at the Manager's discretion) Class L Income (available to launch at the Manager's discretion) Class X Accumulation (available to launch at the Manager's discretion) Class X Income (available to launch at the Manager's discretion)
Dealings	Normally daily between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	12.00 noon
Valuation Point	12.00 noon
Minimum Investment	
Class A Units	Not yet available. Initially £500 thereafter £100 Savings Plan £50 per month
+Minimum withdrawal	£250
Class D Units	Initially £100,000 thereafter £100
+Minimum withdrawal	£250
Class L Units	Initially £1,000,000 thereafter £100
+Minimum withdrawal	£250
Class X Units	Not yet available.

	Initially £10,000,000 thereafter £100
+Minimum withdrawal	£250
***Current Charges:**	
Class A units	Preliminary 5% Annual 0.45%
Class D units	Preliminary Nil Annual 0.15%
Class L units	Preliminary Nil Annual 0.20%
Class X units	Preliminary Nil Annual Nil
Annual Accounting Date	The last day of February each year
Annual Income Allocation Date	30 April
Half Yearly Accounting Date	31 August
Half Yearly Income Allocation Date	31 October
Risk management measure used	Commitment Approach

+Further details are given in the paragraph titled "Minimum Investment/Holdings" in this Prospectus.
* Further details are given in the paragraph titled "Charges" in this Prospectus.

APPENDIX 2 BlackRock Fund Managers Limited - Other Authorised Schemes

Name	Regulatory Status
BlackRock Aquila Emerging Markets Fund	UCITS Scheme
BlackRock Authorised Contractual Scheme	UCITS Scheme
BlackRock Absolute Return Bond Fund	UCITS Scheme
BlackRock Active Managed Portfolio Fund	UCITS Scheme
BlackRock Asia Fund	UCITS Scheme
BlackRock Balanced Growth Portfolio Fund	UCITS Scheme
BlackRock Balanced Income Portfolio Fund	UCITS Scheme
BlackRock Cash Fund	UCITS Scheme
BlackRock Continental European Fund	UCITS Scheme
BlackRock Continental European Income Fund	UCITS Scheme
BlackRock Corporate Bond Fund	UCITS Scheme
BlackRock Dynamic Diversified Growth Fund	UCITS Scheme
BlackRock Emerging Markets Fund	UCITS Scheme
BlackRock European Absolute Alpha Fund	UCITS Scheme
BlackRock European Dynamic Fund	UCITS Scheme
BlackRock Global Bond Fund	UCITS Scheme
BlackRock Global Equity Fund	UCITS Scheme
BlackRock Global Income Fund	UCITS Scheme
BlackRock Gold and General Fund	UCITS Scheme
BlackRock Growth and Recovery Fund	UCITS Scheme
BlackRock Institutional Bond Funds	UCITS Scheme
BlackRock Institutional Equity Funds	UCITS Scheme
BlackRock International Equity Fund*	UCITS Scheme
BlackRock Investment Funds	UCITS Scheme
BlackRock LBG DC “A” Fund*	UCITS Scheme
BlackRock Non-UCITS Retail Funds	Non-UCITS Retail Scheme
BlackRock Non-UCITS Retail Funds (2)	Non-UCITS Retail Scheme
BlackRock Overseas Fund*	UCITS Scheme
BlackRock Natural Resources Growth & Income Fund	UCITS Scheme
BlackRock UK Absolute Alpha Fund	UCITS Scheme
BlackRock UK Dynamic Fund	UCITS Scheme
BlackRock UK Equity Fund	UCITS Scheme

BlackRock UK Focus Fund	UCITS Scheme
BlackRock UK Fund	UCITS Scheme
BlackRock UK Income Fund	UCITS Scheme
BlackRock UK Smaller Companies Fund	UCITS Scheme
BlackRock UK Special Situations Fund	UCITS Scheme
BlackRock UK Specialist Fund	UCITS Scheme
BlackRock US Dynamic Fund	UCITS Scheme
BlackRock US Opportunities Fund	UCITS Scheme

*These funds are in the process of being terminated.

APPENDIX 3 Investment Restrictions applicable to the Funds

1.Investment and Borrowing Powers

The property of each Fund will be invested with the aim of achieving the investment objective of each Fund set out in Appendix 1 but subject to the limits set out in Chapter 5 of the COLL Sourcebook. The Manager will ensure that, taking into account of the investment objectives and policies of the Funds, it aims to provide a prudent spread of risk.

Eligible assets

The following restrictions under the COLL Sourcebook and (where relevant) determined by the Manager currently apply to each of the Funds:

2. Transferable Securities and Approved Money-Market Instruments

2.1. The investments of each Fund shall consist of one or more of the following:

(a) Transferable securities and approved money-market instruments admitted to or dealt in a regulated market (as defined by the FCA).

(b) Transferable securities and approved money-market instruments dealt in on other markets in Member States of the EEA, that are operating regularly, are recognised and are open to the public.

(c) Transferable securities and approved money-market instruments admitted to official listings on or dealt in on other eligible markets.

(d) Recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue.

2.2. A transferable security is eligible for investment if it meets the following criteria:

- The potential loss that a Fund may incur by holding the security is limited to the amount paid for it;
- Its liquidity does not compromise the Manager's ability to redeem units;
- Reliable and regular valuation is available to the market and the Manager;
  - Appropriate information about the transferable security is available to the market and the Manager;
  - The transferable security is a negotiable instrument; and
  - Its risks are adequately captured by the risk management process of the Manager.

2.3. Approved money-market instruments are those normally dealt in on the money market, are liquid and have a value which can be accurately determined at any time, and with the exception of those dealt in on an eligible market, appropriate information is available to the market and the Manager.

2.4. Approved money-market instruments other than those listed on or normally dealt on an eligible market are eligible if the issue or issuer of such approved money-market instruments is itself regulated for the purpose of protecting investors and savings, and provided they are issued or guaranteed by a central, regional or local authority, a central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EEA States belong; or issued by a body, any securities of which are dealt in on an eligible market; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by European Union law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Union law.

2.5. A Fund may invest no more than 10 per cent of its scheme property in transferable securities and approved money-market instruments other than those referred to in paragraphs 2.1 to 2.4.

3.Eligible Markets

A market is eligible for the purposes of the rules if it is a regulated market, or a market in an EEA State which is regulated, operates regularly and is open to the public.

A market not falling within the above definition is eligible if the Manager, after consultation and notification with the Trustee, decides that market is appropriate for the investment of, or dealing in, the property, the market is included in a list in the prospectus, and the Trustee has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market, and all reasonable steps have been taken by the Manager in deciding whether that market is eligible.

A market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors. Unless information is available to the Manager that would lead to a different determination, a transferable security which is admitted or dealt on an eligible market shall be presumed not to compromise the ability of the Manager to be able to redeem units and to be considered a negotiable instrument. The list of eligible securities and derivatives markets for the Funds is set out in Schedules 1 and 2 to this Prospectus.

4.Collective Investment Schemes

4.1. A Fund may invest in units in collective investment schemes ("CIS") which;-

(a) comply with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

(b) are recognised under the provisions of section 272 of the Financial Services and Markets Act 2000 (Schemes authorised in designated countries or territories); or

(c) are authorised as a non-UCITS retail scheme) and meeting the requirements of Article 50(1)(e) of the UCITS Directive;

(d) are authorised in another EEA State and meeting the requirements Article 50(1)(e) of the UCITS Directive; or

(e) are authorised by the competent authority of an OECD member country (other than another EEA State) which has:

(i) signed the IOSCO Multilateral Memorandum of Understanding; and

(ii) approved the management company of the CIS, its rules and depositary/custody arrangements;

providing the requirements of Article 50(1)(e) of the UCITS Directive are met;

and provided that:

- No more than 30 per cent of the value of a Fund may be invested in other CIS which are not UCITS schemes but satisfy the conditions in 4.1 (ii) to (v) above, although it is the Manager's current policy to apply a more restrictive limit as described in sub-paragraph 4.3 below.
- the level of protection for unitholders in the other CIS is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money-market instruments are equivalent to the requirements of Directive 85/611/EEC, as amended.
- the business of the other CIS is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.

4.2. In addition, in the case of all underlying CIS no more than 10 per cent of the assets of the CIS, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other CISs. For this purpose each sub-fund of an umbrella scheme is to be treated as if it were a separate scheme.

4.3. Each Fund (except BlackRock Balanced Managed Fund) may acquire the units of UCITS and/or other CIS referred to above, provided that the aggregate investment in UCITS or other CIS does not exceed 10 per cent of the scheme property of each Fund, unless otherwise provided for in the relevant Fund's investment policy. Up to 100 per cent of BlackRock Balanced Managed Fund may be invested in units of collective investment schemes.

4.4. Each Fund may invest in the units of other UCITS and/or other CIS that are managed by the Manager or by an associate (as defined by the FCA) (including any BlackRock Investment Trust) in which case no subscription or redemption fees may be charged to the Funds on their investment in the units of such other UCITS and/or CIS in accordance with the rules in the COLL Sourcebook. In addition, the Manager shall normally invest in the units of other UCITS and/or CIS that are managed by the Manager or by an associate (including any BlackRock Investment Trust) on the basis that either no annual management charge will be charged to the Funds or a full retrocession of the annual management charge shall be returned to the Funds, otherwise the maximum level of annual management charge that may be charged to Funds for investing in underlying funds is 3.5 per cent of the Fund's net asset value. By way of exception, unitholders will not receive a rebate on any annual management charge payable in respect of any BlackRock Investment Trust that forms part of a Benchmark Index.

5. Deposits, Cash and Near Cash

5.1. In the case of the BlackRock Balanced Managed Fund deposits with an approved bank (as defined by the FCA) which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months. Deposits may be held for strategic purposes as cover for derivative positions or tactically, as described in paragraph 5.2 below.

5.2. The investment objective and policy of each Fund may mean that at times it is appropriate not to be fully invested but to hold cash or near cash for reasons other than for the purpose of meeting a Fund's investment objective (where applicable). Cash and near cash must not be retained in the property except to the extent that, where this may reasonably be regarded as necessary in order to enable:

- redemption of units; or
- efficient management of the Fund in accordance with its investment objectives; or
- other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund; or
- in the case of the BlackRock Balanced Managed Fund in pursuit of the Fund's investment objectives.

6. Warrants

Where a Fund invests in warrants, the Manager must ensure that upon exercising the right conferred by the warrant the exposure created does not exceed the general limits on spread of investments set out below. No more than 5 per cent of any Fund will be invested in warrants.

7. Nil and Partly Paid Securities

In respect of nil and partly paid securities a transferable security or approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Funds, at the time when payment is required, without contravening the rules in COLL 5.

8. General - Derivatives and Forward Transactions

8.1. The Funds may use derivatives to hedge market and currency risk for the purposes of efficient portfolio management, (as described in 8.2 below "Efficient Portfolio Management").

The use of derivatives for the purpose of hedging and managing risk and for efficient portfolio management is not intended to increase the risk profile of the Funds. The Manager uses a risk management process, to monitor and measure as frequently as appropriate the risk of a Fund's portfolio and contribution of the underlying investments to the overall risk profile of the Fund.

However, the use of derivatives may expose the Funds to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small, relative to size of the contract, so that transactions are geared, as described in paragraph 9.3. A relatively small market movement may have a potentially larger impact on derivatives than in standard bonds or equities.

8.2. Where derivatives are used for the purpose of efficient portfolio management, they will only be used in accordance with the following criteria:

(a) They are economically appropriate in that they are realised in a cost effective way.

(b) They are entered into for one or more of the following specific aims:

- reduction of risk;
- reduction of costs; or
- generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and prevailing risk diversification requirements of Directive 85/611/EEC, as amended.

(c) Their risks are adequately captured by the Manager's risk management process.

8.3. The Manager uses a risk management process, as reviewed by the Trustee, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of that Fund. The details of the risk management process include the following information:

- the types of derivatives and forwards to be used within the Fund together with their underlying risks and any relevant quantitative limits; and
- the methods for estimating risks in derivative and forward transactions.

The Manager must notify the FCA in advance of any material alteration to the details above.

9. Permitted Transactions in Derivatives and Forwards

9.1. A transaction in a derivative must be in an approved derivative (as defined by the FCA); or be one which complies with the requirements for entering into OTC transactions in derivatives.

A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in its Trust Deed and the most recently published version of this Prospectus.

A transaction in a derivative must have the underlying consisting of any or all of the following to which the Fund is dedicated, i.e. transferable securities and approved money-market instruments, approved money-market instruments permitted under sub-paragraph 2.4, permitted deposits, permitted derivatives, permitted collective investment scheme units, permitted financial indices, interest rates, foreign exchange rates, and currencies, and may not result in the delivery, including in the form of cash, of assets other than those referred to in paragraphs 2 to 8.

A Fund may not undertake transactions in derivatives on commodities.

Any forward transaction must be with an approved counterparty.

All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee; and it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives.

No agreement by or on behalf of a Fund to dispose of property or rights may be made unless:

(a) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment of rights; and

(b) the property and rights at (a) are owned by that Fund at the time of the agreement.

Where a Fund holds an index-based derivative, the financial index must satisfy the following criteria:

- the index is sufficiently diversified
- the index represents an adequate benchmark for the market to which it refers; and
- the index is published in an appropriate manner.

A financial index is sufficiently diversified if:

- it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
- where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
- where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

A financial index represents an adequate benchmark for the market to which it refers if:

- it measures the performance of a representative group of underlyings in a relevant and appropriate way;
- it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
- the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

A financial index is published in an appropriate manner if:

- its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
- material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to this paragraph 9, be regarded as a combination of those underlyings.

9.3 Where derivative instruments are used, the overall risk profile of a Fund may be increased.

9.4 Accordingly, where derivative instruments are used, the Manager will employ a risk-management process which enables the Manager to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the relevant Fund. The Manager applies a Commitment Approach to calculate each Fund's global exposure (except for the BlackRock Balanced Managed Fund for which a Value at Risk (VaR) approach is used) as further explained in section 28 and to ensure it complies with the investment objectives and policies set out in Appendix 1.

(a) Where the "Commitment Approach" to risk management is being used the Manager must ensure that its global exposure relating to derivatives and forward transactions held in the Fund does not exceed the net value of the scheme property.

(b) The Manager must calculate its global exposure on at least a daily basis.

(c) For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions

9.5 The Manager must calculate the global exposure of a Fund it manages either as:

(i) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 9.7 below), which may not exceed 100 per cent of the net value of the scheme property; or

(ii) the market risk of the scheme property

9.6 The Manager must calculate the global exposure of a Fund by using:

(a) the Commitment Approach; or
(b) the Value at Risk approach.

9.7 The Manager must ensure that the method selected in 9.6 is appropriate, taking into account:

(a) the investment strategy pursued by the UCITS scheme;
(b) the types and complexities of the derivatives and forward transactions used; and
(c) the proportion of the scheme property comprising derivatives and forward transactions.

9.7.1 Where a Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 15 below (Stock lending) in order to generate additional leverage or exposure to market risk, the Manager must take those transactions into consideration when calculating global exposure.

9.7.2 For the purposes of 9.6(b), value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

9.7.3 With regard to a Fund's underlying assets, the Manager will ensure that when a transferable security or approved money-market instrument embeds a derivative, the derivative must be taken into account when complying with the requirements under the risk management process and paragraph 9.4 above and contains a component that:

- by virtue of that component, some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which embeds the derivative can be modified according to specified interest rates, financial instrument price, foreign exchange rate, index of prices and rates, credit rating or credit index or other variable and therefore vary in any way similar to a stand-alone derivative;
- its economic characteristics and risks are not closely related to the economic characteristics of the derivative;
- it has significant impact on the risk profile and pricing of the transferable security.

A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

Where a Fund holds an index-based derivative, provided the index falls within the rules of eligibility of an index set out in the sub-paragraph 10.1 (d) below, the underlying constituents do not have to be taken into account when calculating the spread requirements in sub-paragraphs 10.1 (a) – (d) below.

10. Spread Limits

10.1. A Fund may not invest in any one issuer in excess of the limits set out below in sub-paragraphs (a) – (d) below. These limits do not apply to investment in government and public securities which are considered separately in sub-paragraph 11 below:

(a) Not more than 5 per cent in value of the property of a Fund is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5 per cent is raised to 10 per cent in respect of up to 40 per cent in value of its scheme property. For these purposes certificates representing certain securities are treated as equivalent to the underlying security. Covered bonds need not be taken into account for the purposes of applying the limit of 40 per cent. The limit of 5 per cent above is raised to 25 per cent of a Fund's scheme property in respect of covered bonds provided that where a Fund invests more than 5 per cent in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80 per cent in value of the scheme property. Only the iShares Corporate Bond Index Fund (UK), the BlackRock Corporate Bond 1-10 Year Fund and the iShares Overseas Government Bond Index Fund (UK) may make use of these exceptional spread rules.

(b) Not more than 20 per cent of the value of a Fund's scheme property may be invested in deposits made with the same entity.

(c) The exposure to any one counterparty in an OTC derivative transaction must not exceed 5 per cent in value of the property. This limit is raised to 10 per cent where the counterparty is an approved bank. Exposure to a counterparty in an OTC derivative transaction may be reduced by using collateral in accordance with the techniques set out in sub-paragraph 18 below. When calculating the exposure of a Fund to an OTC counterparty, in accordance with the limits set out in this paragraph, the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

(d) Notwithstanding the individual limits laid down in sub-paragraphs 10 (a) to (c) above, a Fund may not combine

- investments in transferable securities or money-market instruments issued by a single body, and/or
- deposits (where permitted) made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body,

in excess of 20 per cent of its scheme property.

When a transferable security or approved money-market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above mentioned restrictions.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/ EEC or in accordance with recognised international accounting rules, are regarded as a single entity for the purpose of calculating the investment limits mentioned in sub-paragraphs 10.1 (a) to (c) above.

A Fund may not invest more than 20 per cent of its scheme property in transferable securities or approved money-market instruments issued by the same group subject to restrictions 10.1 (a) and 10.1 (d) above.

Without prejudice to the limits laid down in paragraph 13 below, the limits laid down in sub-paragraph 10.1 (a) above is raised to a maximum of 20 per cent for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of a Fund is to replicate the composition of a certain equity or debt securities index on the following basis:

- the composition of the index is sufficiently diversified;
- the index is an adequate benchmark for the market to which it refers;
- it is published in an appropriate manner which relies on sound pricing procedure;

An index represents an adequate benchmark for the market to which it refers if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers. An index is published in an appropriate manner if it is accessible to the public and the index provider is independent from the index replicating Fund (this does not prevent the index provider and the Fund being part of the same group provided effective arrangements are in place for the management of conflicts of interests).

The limit of 20 per cent can be raised to 35 per cent for a particular Fund where that proves to be justified by exceptional market conditions, in particular in eligible markets where certain transferable securities or approved money-market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

11. Government and Public Securities

Where no more than 35 per cent in value of the property of a Fund is invested in transferable securities and/or money-market instruments that are issued by a government or public entity described in COLL 5.2.12R(1) ("such securities") issued by any one body, there is no limit on the amount which may be invested by a Fund in such securities or in any one issue. iShares Over 15 Years Gilts Index Fund (UK)*, iShares Index Linked Gilt Index Fund (UK), iShares Overseas Government Bond Index Fund (UK) and iShares UK Gilts All Stocks Index Fund (UK) are permitted to invest more than 35 per cent and up to 100 per cent of the scheme property in Government and Public Securities issued or guaranteed by any body specified below). The Manager will consult the Trustee where more than 35 per cent of the scheme property is invested in such securities in order to ensure that the issuer of such securities is one which is appropriate in accordance with the investment objectives of these Funds.

Where more than 35 per cent of scheme property does comprise Government and Public securities issued by any one issuer, then up to 30 per cent of the property of the relevant Fund may consist of such securities of any one issue and the Fund's total holding of Government and Public Securities must

* Fund not yet launched.

include such securities issued by that or another issuer of at least six different issues.

The issuer or guarantors for the purpose of the above limits are as follows:

(i) the Government of the UK (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly and the National Assembly of Wales);

(ii) the Government of any EEA State including the Governments of Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden;

(iii) the Governments of Australia, Canada, Japan, New Zealand, and the United States of America;

(iv) The World Bank, The Inter-American Development Bank, The European Investment Bank and The European Bank for Reconstruction and Development.

12. Significant influence

The Manager must not acquire or cause to be acquired for the authorised unit trusts for which it acts as manager, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if immediately before the acquisition, the aggregate of any such securities held for that Fund together with any other securities held for authorised unit trusts managed by the Manager gives the Manager power significantly to influence the conduct of business of that body corporate, or the acquisition gives the Manager that power.

The Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held for all the authorised unit trusts of which it is the manager, exercise or control the exercise of 20 per cent or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

13. Concentration

A Fund may not:

(a) Acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them, and represent more than 10 per cent of those securities issued by that body corporate.

(b) Acquire more than 10 per cent of the debt securities issued by any single body.

(c) Acquire more than 25 per cent of the units in a collective investment scheme. In the case of an umbrella collective investment scheme this limit is taken at the level of the umbrella.

(d) Acquire more than 10 per cent of approved money-market instruments of any single body.

A Fund need not comply with the limits above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

14. Borrowing

14.1. The Trustee (on the instructions of the Manager) may, in accordance with this paragraph, borrow money for the use of the Funds on terms that the borrowing is to be repayable out of the property. This power to borrow is subject to the obligation of the Funds to comply with any restriction in its Trust Deed. The Trustee may borrow only from an eligible institution or an approved bank. The Manager must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the Manager must have regard in particular to the duration of any period of borrowing, and the number of occasions on which resort is had to borrowing in any period. In addition, the Manager must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Trustee, the Trustee's consent may be given only on such conditions as appear to the Trustee appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

The Manager must ensure a Fund's borrowing does not, on any Business Day, exceed 10 per cent of the value of the property of the Fund. "Borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the property in the expectation that the sum will be repaid.

None of the money in the property of the Fund may be lent and, for the purposes of this prohibition, money is lent by the Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee. Acquiring a debenture is not lending; nor is the placing of money on deposit or in a current account.

The property of the Funds other than money must not be lent by way of deposit or otherwise except for the purposes of stock lending as described above.

Transactions permitted for the purposes of stock lending are not lending for these purposes.

The property of the Funds must not be mortgaged. Nothing in these restrictions prevent the Trustee at the request of the Manager, from lending, depositing, pledging or charging property for margin requirements where transactions in derivatives or forward transactions are used for the account of the

Fund in accordance with any other of the rules in COLL 5.

14.2. A Fund may not grant credit facilities nor act as guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, approved money-market instruments or other financial investments referred to in sub-paragraphs 2.4, 4, 8 and 9 above, in fully or partly paid form and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan.

15. Stock lending

15.1. Stock lending transactions or repo contracts may be entered into if the arrangement or contract is for the account of and for the benefit of the Fund and in the interests of unitholders. An arrangement is not in the interests of unitholders unless it reasonably appears to the Manager to be appropriate to do so with a view to generating additional income for the Funds with an acceptable degree of risk.

The Trustee , acting on the instructions of the Manager may enter into a stock lending arrangement or repo contract of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Trustee for the account of the Funds, are in a form which is acceptable to the Trustee and are in accordance with good market practice, the counterparty meets the criteria set out in COLL 5.4.4 and high quality and liquid collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Trustee, adequate and sufficiently immediate.

The Trustee must ensure that the value of the collateral at all times is at least equal to the market value of the securities transferred by the Trustee, plus a premium. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Trustee takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

Where a Fund enters into arrangements through which collateral is reinvested, this should be taken into account for the purposes of measuring a Fund's global exposure under sub-paragraph 9.4.

15.2. Collateral is adequate for the purposes of stock lending only if it is:

(a) transferred to the Trustee or its agent;

(b) received under a title transfer arrangement; and

(c) at all times at least equal in value to the value of the securities transferred by the Trustee, plus a premium.

Where the collateral is invested in units or shares of a qualifying money market fund managed or operated by the Manager or an associate of the Manager, the conditions of paragraph 4.4 must be complied with. Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Funds.

Each day, the collateral held in respect of each repo contract or stock lending transaction is marked to market and revalued. Where due to market movements the value of collateral is less than the value of the securities subject to the repo contract or stock lending transaction, the Trustee is entitled to call for additional collateral from the counterparty such that the value of the collateral and margin requirements is maintained.

In the event there is a decline in the value of the collateral which exceeds the value of the margin held by the Trustee, a counterparty credit risk will arise pending delivery of the additional collateral. In the normal course of events, additional collateral is delivered the following Business Day.

There is no limit on the value of the property which may be the subject of repo contracts or stock lending transactions. Collateral transferred to the Trustee is part of a Fund's property for the purpose of the COLL Rules except in the following respects:

- it does not fall to be included in any valuation for the purposes of COLL 6.3 or this Appendix 3, because it is offset by an obligation to transfer at a future date (as set out above); and
- it does not comprise the Fund's property for the purpose of any investment and borrowing powers set out in this Appendix 3 except for the purpose of this paragraph 15.

16. General power to accept or underwrite placings

Any power in the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Fund.

This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

The exposure of the Fund to agreements and understandings as set out above, on any business day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any of the investment limits set out elsewhere in this section.

17. Guarantees and indemnities

The Trustee for the account of the Fund must not provide any guarantee or indemnity in respect of the obligation of any person.

None of the property of the Fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

These requirements do not apply to any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the requirements set out in this section.

18. Over-the-Counter ("OTC") transactions in derivatives

The Manager's delegates will continuously assess the credit or counterparty risk as well as the potential risk, which is for trading activities, the risk resulting from adverse movements in the level of volatility of market prices and will assess the hedging effectiveness on an ongoing basis. They will define specific internal limits applicable to these kinds of operations and monitor the counterparties accepted for these transactions.

Any transaction in an OTC derivative must be:

- with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose home state authorisation, permits it to enter into the transaction as principal off-exchange;
- on approved terms; the terms of the transaction in derivatives are approved only if, the Manager carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely on market quotations by the counterparty, and the Manager can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;
- capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy: on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable, or, if the value referred to above is not available, on the basis of a pricing model which the Manager and Trustee have agreed uses an adequate recognised methodology; and
- subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if throughout the life of the derivative verification of valuation is carried out by an independent third party distinct from the counterparty on a regular basis and in such a way that the Manager is able to check or by an independent division of the Manager separate from the division managing the particular Fund's assets.

Collateral required under OTC derivative transactions must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

OTC derivative positions with the same counterparty may be netted provided that the Manager is able legally to enforce netting agreements in place with the counterparty on behalf of the Fund and these netting agreements do not apply to any other exposures the Fund may have with that counterparty.

19. Commodities and Real Estate

The Funds' assets may not include precious metals or certificates representing them, commodities, commodities contracts, or certificates representing commodities.

The Funds may not purchase or sell real estate or any option, right or interest therein, provided that the Funds may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

20. Cash collateral

Where cash collateral is obtained in respect of OTC derivative transactions and efficient portfolio management techniques, including repo contracts and stock lending arrangements, it may only be:

(i) placed on deposit with an approved bank;

(ii) invested in high quality government bonds;

(iii) used for the purpose of repo contracts provided the transactions are with credit institutions subject to prudential supervision and the Fund can recall at any time the full amount of the cash on an accrued basis; and

(iv) invested in short-term money market funds as defined in ESMA's "guidelines on a common definition of European money market funds".

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral such that it should be sufficiently diversified in terms of country, markets and issuers.

Additional provisions

The following additional provisions, 21 – 25 inclusive, reflect the requirements of the ESMA Guidelines ESMA/2012/832EN and are subject to changes thereto as well as any changes made through their incorporation into the COLL Sourcebook. These additional provisions apply to all Funds launched after 18 February 2013 (the "ESMA Guidelines Effective Date") and will apply to all Funds launched prior to18 February 2013 within 12 months of the ESMA Guidelines Effective Date:

21. Repo contracts and stock lending arrangements

The following applies to repo contracts and stock lending arrangements where permitted, in particular:

21.1 Repo contracts and stock lending may only be effected in accordance with normal market practice.

21.2 A Fund must have the right to terminate any stock lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.

21.3 Where a Fund enters into a repurchase agreement, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

21.4 Where a Fund enters into a reverse repurchase agreement, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value.

21.5 Fixed-term repo contracts that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

22. Risks and potential conflicts of interest involved in efficient portfolio management techniques

There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities (see further below). Please refer to the section of this Prospectus entitled "Conflicts of Interest" and "Risk Considerations" and, in particular but without limitation, the risk factors relating to derivative risks and counterparty risk. These risks may expose investors to an increased risk of loss.

23. Management of collateral for OTC derivative transactions and efficient portfolio management techniques

23.1 Collateral obtained in respect of OTC derivative transactions and efficient portfolio management techniques ("Collateral"), such as a repo contract or stock lending arrangement, must comply with the following criteria:

23.1.1 liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation;

23.1.2 valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;

23.1.3 issuer credit quality: Collateral should be of high quality;

23.1.4 correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

23.1.5 diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers; and

23.1.6 immediately available: Collateral must be capable of being fully enforced at any time without reference to or approval from the counterparty.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral such that it should be sufficiently diversified in terms of country, markets and issuers.

23.2 Subject to the above criteria, Collateral must be in the form of one of the following:

23.2.1 cash; or

23.2.2 a certificate of deposit; or

23.2.3 a letter of credit; or

23.2.4 a readily realisable security; or

23.2.5 commercial paper with no embedded derivative content; or

23.2.6 a short-term money market fund (as defined in ESMA's "guidelines on a common definition of European money market funds") or a qualifying money market fund.

23.3 Until the expiry of the repo contract or stock lending arrangement, Collateral obtained under such contracts or arrangements:

23.3.1 must be marked to market daily; and

23.3.2 should at all times be equal in value to the market value of the securities transferred plus a premium.

23.4 Collateral must be held by the Trustee, or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.

23.5 Non-cash Collateral cannot be sold, re-invested or pledged.

24. Additional spread limits

With regard to OTC derivative transactions and efficient portfolio management techniques, including repo contracts and stock lending arrangements, a Fund's exposure to any one counterparty must not exceed 5 per cent in value of the property. This limit is raised to 10 per cent where the counterparty is an approved bank.

25. Haircut policy

The Manager has implemented a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Manager that any Collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

APPENDIX 4 Valuation and Pricing

A. DETERMINATION OF NET ASSET VALUE

The value of the scheme property of a Fund shall be determined in accordance with the following provisions.

1. All the scheme capital and income property (including receivables) is to be included, subject to the following provisions.

2. The valuation shall be prepared on an *issue* basis and on a *cancellation basis* in accordance with paragraph 7 of this Prospectus.

3. The valuation of the scheme property of the Fund which is not cash or a contingent liability transaction shall be valued using the most recent prices which it is practicable to obtain:

   (i) units or shares in a collective investment scheme

   (a) if separate buying and selling prices are quoted, at the most recent maximum sale price reduced by any expected discount plus any dealing costs (*issue* basis)[11] or the most recent minimum redemption price less any dealing costs (*cancellation basis).*[12]

   (b) if a single price for buying and selling units or shares is quoted, at that price (plus any dealing costs when valuing on an *issue basis*[1] or less any dealing costs when valuing on a *cancellation basis* [2]; or

   (c) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable (plus any dealing costs when valuing on an *issue basis*[1] or less any dealing costs when valuing on a *cancellation basis* [2]).

   (ii) any other investment:

   (a) the best available market dealing offer price (*issue* basis) or the most current dealing bid price (*cancellation* basis) on the most appropriate market in a standard size plus dealing costs[13]; or

   (b) the last traded price of the market[1] or

   (c) at the price which would be paid by a buyer (*issue basis)* or received by a seller (*cancellation basis)* for an immediate transfer or assignment (or, in Scotland, assignation) to him at arm's length;

   together with the Manager's reasonable estimate in respect dealing costs[3], which may be accounted for separately within the valuation

   (iii) property valued other than as described in 3(i) or 3(ii) above if no recent price(s) exist or in the opinion of the Manager the price obtained is unreliable, then by some other reliable means, which may be based on the Manager's reasonable estimate or calculated by some other means deemed by the Manager and Trustee to be appropriate (together with the Manager's reasonable estimate in respect of dealing costs [3] which may be accounted for separately within the valuation.

   In accordance with paragraph 7 of this Prospectus the Manager may at its discretion implement fair value pricing policies in respect of the Fund;

4. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.

5. Property which is a derivative constituting a contingent liability transaction shall be treated as follows:

   (i) if a written option (and the premium for writing the option has become part of the scheme property) include an amount equivalent to the value net of premium on closing out the contract (whether as a positive or negative value). On expiry, where the contract remains unexercised and is "out-of-the-money", no value will be attributable to the contract, other by way of the premium received or receivable.

   (ii) if a purchased option (and the premium for purchasing the option has been paid from the scheme property) an amount equivalent to the value net of premium on closing out the contract (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded.) On expiry, where the contract remains

[11] "Dealing costs" include any SDRT provision which may be added in the event of a purchase by the scheme of the units or shares in question, and where a single price is quoted, any dilution levy. If the Manager is also the manager or an associate of the manager of the relevant underlying collective investment scheme, in the case of valuing on an issue basis, dealing costs do not include payment of a preliminary charge on purchase of units in the underlying collective investment scheme.

[12] "Dealing costs" include any SDRT provision which may be added in the event of a purchase by the scheme of the units or shares in question, and where a single price is quoted, any dilution levy. If the Manager is also the manager or an associate of the manager of the relevant underlying collective investment scheme, in the case of valuing on a cancellation basis, dealing costs do not include payment of a redemption charge on sales of units in the underlying collective investment scheme.

[13] "Dealing costs" include any fiscal charges, commission or other charges payable in the event of the scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the scheme are the least that could be reasonably expected to be paid in order to carry out the transaction.

unexercised and is "out-of the money", no value will be attributable to the contract, other than by way of the premium paid or payable.

(iii) if another exchange-traded derivative contract:

(a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or

(b) if separate buying and selling prices are quoted, at the average of the two prices.

(iv) if an off-exchange future or contract for differences ("OTC derivatives") or forward foreign exchange contract, include at the net value of closing out the contract (estimated on the basis of the amount of profit or loss receivable or payable by the Fund on closing out the contract in accordance with the valuation methods in COLL 5.2.23R.)

6. In determining the value of the scheme property, all instructions given to the Trustee to issue or cancel units or any outstanding consequential action required in respect of an issue or cancellation of units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

7. Subject to paragraphs 8 and 9 of this Appendix 4, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.

8. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 7 of this Appendix 4.

9. All agreements are to be included under paragraph 7 of this Appendix 4, which are, or could reasonably be expected to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.

10. Deductions will be made for any liabilities payable out of the scheme property and any tax thereon, as follows:

(i) liabilities accrued on unrealised capital gains which is payable out of the scheme property

(ii) liabilities accrued on realised capital gains in respect of previously completed and current accounting periods which is payable out of the scheme property

(iii) liabilities accrued in respect of income received or receivable

(iv) liabilities accrued in respect of stamp duty reserve tax or any other fiscal charge not covered under this deduction.

(v) the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

11. The following items will be added:

(i) any amount in respect of accrued claims for tax of whatever nature which may be recoverable; and

(ii) any other credits or amounts due to be paid into the scheme property;

(iii) any stamp duty reserve tax provision anticipated to be received; and

(iv) sums representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

12. Currencies or values in currencies other than base currency shall be converted at the relevant valuation point at the prevailing rate of exchange on the market on which the Manager would normally deal if it wished to make such a conversion.

B. DETERMINATION OF UNIT PRICE

Prices at which units may be issued or cancelled will be calculated by valuing a Fund's underlying property attributable to the class of units in question (in accordance with section A above) and then dividing the value of the Fund's underlying property by the number of units in issue. It is this computation which determines the maximum issue price and the minimum cancellation price for the units in that Fund.

The Manager will determine the unit price in accordance with the following calculations:

1. In order to calculate the maximum issue price, the following shall apply:

   (i) take the proportion, attributable to the units in the class in question, of the value of the issue basis of the scheme property by reference to the most recent valuation of the scheme property on an issue basis;

   (ii) compute the number of units of the relevant class in issue immediately prior to the valuation in (i);

   (iii) divide the total at (i) by the number of units in (ii); and

   (iv) express the price in a form that is accurate to at least four significant figures.

   This process determines the full cost of creating a unit and results in the maximum price at which unitholders can buy a unit in the Fund (excluding any preliminary charge due to the Manager) in accordance with paragraph 8 of this Prospectus.

2. In order to calculate the minimum cancellation price, the following shall apply:

   (i) take the proportion, attributable to the units in the class in question, of the value of the cancellation basis of the scheme property by reference to the most recent valuation of the scheme property on a cancellation basis;

   (ii) compute the number of units of the relevant class in issue immediately prior to the valuation in (i);

   (iii) divide the total at (i) by the number of units in (ii); and

   (iv) express the price in a form that is accurate to at least four significant figures.

This process determines the full cost of cancelling a unit and determines the level at which the minimum ‘bid price’ can be fixed. This is the minimum price at which unitholders can sell back their units in the Fund. The actual ‘bid price’ at which unitholders can sell their units will either be the same or higher than the cancellation price.

APPENDIX 5 List of Safekeeping Delegates

Country/Market	Sub - Custodian	Location
Argentina	Citibank N.A., Argentina	Buenos Aires
Australia	The Hongkong and Shanghai Banking Corporation Limited	Parramatta, NSW
Austria	UniCredit Bank Austria AG	Vienna
Bahrain	HSBC Bank Middle East Limited	Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited	Dhaka
Belgium	The Bank of New York Mellon SA/NV	Brussels
Belgium	Citibank Europe Plc, UK branch	London
Bermuda	HSBC Bank Bermuda Limited	Hamilton
Botswana	Stanbic Bank Botswana Limited	Gaborone
Brazil	Citibank N.A., Brazil	Sao Paulo
Brazil	Itau Unibanco S.A.	Sao Paulo
Bulgaria	Citibank Europe plc, Bulgaria Branch	Sofia
Canada	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
Cayman Islands	The Bank of New York Mellon	New York
Channel Islands	The Bank of New York Mellon	New York
Chile	Banco de Chile	Santiago
Chile	Itau Corpbanca S.A.	Santiago
China	HSBC Bank (China) Company Limited	Shanghai
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
Costa Rica	Banco Nacional de Costa Rica	San José

Croatia	Privredna banka Zagreb d.d.	Zagreb
Cyprus	BNP Paribas Securities Services	Athens
Czech Republic	Citibank Europe plc, organizacni slozka	Prague
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Egypt	HSBC Bank Egypt S.A.E.	Cairo
Estonia	SEB Pank AS	Tallinn
Eswatini	Standard Bank Swaziland Limited	Mbabane
Euromarket	Clearstream Banking S.A	Luxembourg
Euromarket	Euroclear Bank	Brussels
Finland	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
France	The Bank of New York Mellon SA/NV	Brussels
Germany	The Bank of New York Mellon SA/NV	Frankfurt am Main
Ghana	Stanbic Bank Ghana Limited	Accra
Greece	BNP Paribas Securities Services	Athens
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Hungary	Citibank Europe plc. Hungarian Branch Office	Budapest
Iceland	Landsbankinn hf.	Reykjavik
India	Deutsche Bank AG	Mumbai
India	The Hongkong and Shanghai Banking Corporation Limited	Mumbai
Indonesia	Deutsche Bank AG	Jakarta
Ireland	The Bank of New York Mellon	New York
Israel	Bank Hapoalim B.M.	Tel Aviv
Italy	The Bank of New York Mellon SA/NV	Brussels

Japan	Mizuho Bank, Ltd.	Tokyo
Japan	MUFG Bank, Ltd.	Tokyo
Jordan	Standard Chartered Bank, Jordan Branch	Jordan
Kazakhstan	Citibank Kazakhstan Joint-Stock Company	Almaty
Kenya	Stanbic Bank Kenya Limited	Nairobi
Kuwait	HSBC Bank Middle East Limited, Kuwait	Safat
Latvia	AS SEB banka	Kekavas novads
Lithuania	AB SEB bankas	Vilnius
Luxembourg	Euroclear Bank	Brussels
Malawi	Standard Bank PLC	Lilongwe
Malaysia	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt am Main, Germany
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Ebene
Mexico	Banco S3 México S.A.	Ciudad de México
Mexico	Citibanamex	Colonia Santa Fe
Morocco	Citibank Maghreb S.A.	Casablanca
Namibia	Standard Bank Namibia Limited	Windhoek
Netherlands	The Bank of New York Mellon SA/NV	Brussels, Belgium
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	Auckland
Nigeria	Stanic IBTC Bank Plc.	Lagos
Norway	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
Oman	HSBC Bank Oman S.A.O.G.	Sultanate of Oman
Pakistan	Deutsche Bank AG	Karachi

Peru	Citibank del Peru S.A.	Lima
Philippines	Deutsche Bank AG	Makati City
Poland	Bank Polska Kasa Opieki S.A.	Warszawa
Portugal	Citibank Europe Plc	Dublin
Qatar	HSBC Bank Middle East Limited, Doha	Doha
Romania	Citibank Europe plc Dublin, Romania Branch	Bucharest
Russia	PJSC ROSBANK	Moscow
Saudi Arabia	HSBC Saudi Arabia	Riyadh
Serbia	UniCredit Bank Serbia JSC	Belgrade
Singapore	DBS Bank Ltd	Singapore
Slovak Republic	Citibank Europe plc, pobocka zahranicnej banky	Bratislava
Slovenia	UniCredit Banka Slovenia d.d.	Ljubljana
South Africa	Standard Chartered Bank	Johannesburg
South Africa	The Standard Bank of South Africa Limited	Johannesburg
South Korea	The Hongkong and Shanghai Banking Corporation Limited	Seoul
South Korea	Deutsche Bank AG	Seoul
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
Spain	Santander Securities Services, S.A.U.	Madrid
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	Colombo
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Switzerland	Credit Suisse (Switzerland) Ltd	Zurich
Switzerland	UBS Switzerland AG	Zurich
Taiwan	HSBC Bank (Taiwan) Limited	Taipei City

Tanzania	Stanbic Bank Tanzania Limited	Dar es Salaam
Thailand	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
Tunisia	Union Internationale de Banques	Tunis
Turkey	Deutsche Bank A.S.	Istanbul
U.A.E.	HSBC Bank Middle East Limited, Dubai	Dubai
U.K.	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	London
U.K.	The Bank of New York Mellon	New York
U.S.A.	The Bank of New York Mellon	New York
U.S.A. Precious Metals	HSBC Bank, USA, N.A	New York
Uganda	Stanbic Bank Holdings Limited	Kampala
Ukraine	JSC "Citibank"	Kiev
Uruguay	Banco Itaú Uruguay S.A.	Montevideo
Vietnam	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City
WAEMU	Société Générale Côte d’Ivoire	Abidjan 01, Ivory Coast
Zambia	Stanbic Bank Zambia Limited	Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited	Harare

APPENDIX 6 List of Funds and Trustee Oversight Risk Categorisation

Fund Name	Risk Categorisation
BlackRock Balanced Managed Fund	C
iShares Continental European Equity Index Fund (UK)	C
iShares Corporate Bond Index Fund (UK)	C
BlackRock Corporate Bond 1-10 Year Fund	C
iShares Developed Asia Pacific Ex Japan Equity Index Fund (UK)	Not yet launched
iShares Emerging Markets Equity Index Fund (UK)	A
iShares Global Property Securities Equity Index Fund (UK)	B
iShares Index Linked Gilt Index Fund (UK)	C
iShares Japan Equity Index Fund (UK)	C
iShares Mid Cap UK Equity Index Fund (UK)	C
iShares North American Equity Index Fund (UK)	C
iShares Over 15 Years Corporate Bond Index Fund (UK)	C
iShares Over 15 Years Gilts Index Fund (UK)	C
iShares Overseas Corporate Bond Index Fund (UK)	C
iShares Overseas Government Bond Index Fund (UK)	C
iShares Pacific Ex Japan Equity Index Fund (UK)	B
iShares 100 UK Equity Index Fund (UK)	C
iShares 350 UK Equity Index Fund (UK)	C
iShares UK Equity Index Fund (UK)	C
iShares UK Gilts All Stocks Index Fund (UK)	C
iShares US Equity Index Fund (UK)	C
iShares World Ex UK Equity Index Fund (UK)	Not yet launched

APPENDIX 7 Securities Financing Transaction Regulation Disclosures

Fund	TRS and CFDs (in aggregate*) Maximum/Expected proportion of the NAV (%)	Securities Lending Maximum/Expected proportion of the NAV (%)	Repo Transactions Maximum/Expected proportion of the NAV (%)
BlackRock Balanced Managed Fund	50/0	100/1-25	0/0
iShares Continental European Equity Tracker Fund	50/0	100/0-19	0/0
BlackRock Corporate Bond Tracker Fund	10/0	100/0-31	5/0
iShares Corporate Bond 1-10 Year Fund	10/0	100/0-31	5/0
iShares Emerging Markets Equity Tracker Fund	50/0	100/0-99	0/0
iShares Global Property Securities Equity Tracker Fund	50/0	100/0-19	0/0
iShares Index Linked Gilt Tracker Fund	10/0	100/0-99	10/0
iShares Japan Equity Tracker Fund	50/0	100/0-87	0/0
iShares Mid Cap UK Equity Tracker Fund	50/0	100/0-94	0/0
iShares North American Equity Tracker Fund	50/0	100/0-87	0/0
iShares Over 15 Years Corporate Bond Index Fund (UK)	10/0	100/0-31	5/0
iShares Over 15 Years Gilts Tracker Fund	10/0	100/0-99	10/0
iShares Overseas Corporate Bond Tracker Fund	10/0	100/0-31	5/0
iShares Overseas Government Bond Tracker Fund	10/0	100/0-23	5/0
iShares Pacific Ex Japan Equity Tracker Fund	50/0	100/0-19	0/0
iShares 100 UK Equity Tracker Fund	50/0	100/0-87	0/0
iShares 350 UK Equity Tracker Fund	50/0	100/0-87	0/0
iShares UK Equity Tracker Fund	50/0	100/0-87	0/0
iShares UK Gilts All Stocks Tracker Fund	10/0	100/0-99	10/0

iShares US Equity Tracker Fund	50/0	100/0-87	0/0

SCHEDULE 1 Eligible Securities Markets

The following markets shall be eligible securities markets for the BlackRock Collective Investment Scheme Funds subject to investment objective and policy.

A: Europe

Austria	Vienna Stock Exchange (Wiener Boerse)
Belgium	Euronext, Brussels
Croatia	Zagreb Stock Exchange
Czech Republic	Prague Stock Exchange
Denmark	OMX Nordic Exchange Copenhagen
Estonia	Tallinn Stock Exchange
	Estonian CSD
Finland	OMX Nordic Exchange OY
France	Euronext, Paris
Germany	Berlin-Bremen Stock Exchange (Borse Berlin-Bremen)
	Hamburg and Hannover Exchanges (Börsen Hamburg und Hannover)
	Munich Exchange (Börsen München)
	Stuttgart Exchange (Boerse Stuttgart)
	Deutsche Borse, Frankfurt
Greece	Athens Stock Exchange
Hungary	Budapest Stock Exchange
Ireland	Irish Stock Exchange
Israel	Tel Aviv Stock Exchange
Italy	Italian Stock Exchange (Borsa Italiana)
Luxembourg	Luxembourg Stock Exchange (Bourse de Luxembourg)
Netherlands	Euronext, Amsterdam
Norway	Oslo Bors
Poland	Warsaw Stock Exchange
Portugal	Euronext, Lisbon
Spain	Barcelona Stock Exchange (BME Spanish Exchange)
	Bilbao Stock Exchange (BME Spanish Exchange)
	Madrid Stock Exchange (BME Spanish Exchange)
	Valencia Stock Exchange (BME Spanish Exchange)
Sweden	OMX Nordic Exchange Stockholm AB
Switzerland	Six Swiss Exchange
Turkey	Istanbul Stock Exchange
UK	London Stock Exchange
	AIM
	SWX Europe Limited

B: Americas

Brazil	BM & F BOVESPA S.A.
Canada	Toronto Stock Exchange
Mexico	Mexican Stock Exchange (Bolsa Mexicana de Valores)
Peru	Lima Stock Exchange (Bolsa de Valores de Lima)
USA	NYSE MKT LLC
	New York Stock Exchange
	NYSE Arca
	NASDAQ OMX PHLX (Philadelphia)

	National Stock Exchange
	NASDAQ OMX BX (Boston)
	Chicago Stock Exchange
	NASDAQ and the Over-the-Counter Markets regulated by the National Association of Securities Dealers Inc.

C: Middle East and Africa

Kuwait	Kuwait Stock Exchange
Qatar	Qatar Exchange
Saudi Arabia	Saudi Stock Exchange
South Africa	The JSE Securities Exchange
UAE- Abu Dhabi	Abu Dhabi Securities Exchange
UAE- Dubai	Dubai Financial Market
	NASDAQ Dubai Limited

D: Asia

China	Shanghai Stock Exchange (SSE)
	Shenzen Stock Exchange (SZSE)
	Bond Connect
	Stock Connect
India	Bombay Stock Exchange
	National Stock Exchange of India

E: Far East and Australasia

Australia	Australian Securities Exchange
Hong Kong	Hong Kong Exchanges (HKEx)
Indonesia	Indonesia Stock Exchange (Bursa Efek Indonesia)
Japan	Tokyo Stock Exchange
	Osaka Securities Exchange
	Nagoya Stock Exchange
	Sapparo Securities Exchange
	JASDAQ Securities Exchange
The Republic of Korea	Korea Exchange (KRX)
Malaysia	Bursa Malaysia BHD
New Zealand	New Zealand Stock Market (NZSX)
Singapore	Singapore Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Philippines	Philippine Stock Exchange

SCHEDULE 2 Eligible Derivative Markets

1. The following markets shall be eligible derivative markets for those unit trusts which use derivatives:

Athens Derivatives Exchange
Chicago Board of Trade
Chicago Board Options Exchange
CME Group Inc
EUREX
Euronext Brussels
Euronext Amsterdam
Euronext LIFFE
Euronext Paris
Hong Kong Exchanges (HKEx)
ICE Futures Europe
ICE Futures US
Italian Stock Exchange (Borsa Italiana)
Japan Securities Dealers Association (JSDA - Japan OTC Market)
MEFF Renta Fija
MEFF Renta Variable (BME Spanish Exchanges)
Montreal Exchange (Bourse de Montreal)
New York Mercantile Exchange (NYMEX)
EDX London
Osaka Securities Exchange
Singapore Exchange
Australian Securities Exchange
Tokyo Financial Exchange Inc. (TFX)
Tokyo Stock Exchange
The Turkish Derivatives Exchange
Wiener Borse - Austrian Exchange for derivatives

2. In addition to those eligible derivative markets listed above, the following derivative markets shall be eligible for the BlackRock Balanced Managed Fund:

BM & F BOVESPA S.A.
Malaysia Derivatives Exchange (MDEX- subsidiary of Bursa Malaysia)
The South African Futures Exchange (SAF)
Korea Exchange (KRX)
Mexican Derivatives Exchange (MexDer)
NYSE LIFFE U.S. (NYL)
OMX Nordic Exchange Stockholm (SSE)
National Stock Exchange of India
Bombay Stock Exchange
Thailand Futures Exchange
Taiwan Futures Exchange
Warsaw Stock Exchange

3. In addition to those eligible derivative markets listed in section 1, the following market shall be an eligible derivative market for the iShares Pacific Ex Japan Equity Index Fund (UK):

Korea Exchange (KRX)