

### BlackRock Global Funds – ESG Multi-Asset Fund

April 2021

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

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

#### Quick facts

<b>Management Company:</b>	BlackRock (Luxembourg) S.A.		
<b>Investment Adviser(s) and/or Sub-Adviser(s):</b>	Internal delegation to one or more Investment Adviser(s) and/or Sub-Adviser(s) as described in “The Investment Advisers and Sub-Advisers” section of the Information For Residents of Hong Kong*		
	* Details of the relevant Investment Adviser(s) and Sub-Adviser(s) responsible for the Fund will be listed in the interim report and annual report and will be available from the Hong Kong Representative upon request.		
<b>Depository:</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch		
<b>Ongoing charges over a year:</b>	Class A2	AUD Hedged	1.46% *
	Class A2	EUR	1.46%
	Class A2	SGD Hedged	1.46% &
	Class A2	USD Hedged	1.46%
	Class A2	ZAR Hedged	1.46% *
	Class A4	EUR	1.46% *
	Class A8	SGD Hedged	1.45% &
	Class A8	USD Hedged	1.45% &
	Class C2	EUR	2.71%
	Class C2	USD Hedged	2.71%
	Class D2	EUR	0.91%
	Class D2	USD Hedged	0.91%
The ongoing charges figure for a class is based on the costs and expenses of that class with reference to the annual report of the Fund for the year ended 31 August 2020.			
For any share class marked &, the ongoing charges figure is based on the costs and expenses for the 12-month period ended 31 January 2021. The ongoing charges figure of such share class is calculated based on the costs and expenses for this 12-month period because such share class had, by the end of this period, been launched for more than a year but this was not the case as at 31 August 2020.			
For a share class which is newly launched (marked *) the ongoing charges figure represents the Management Company’s best estimate of the ongoing charges based on the information available in respect of other active share classes with a similar fee structure.			

	The figure may vary from year to year.		
<b>Dealing frequency:</b>	Daily	<b>Financial year end:</b>	31 August
<b>Base currency:</b>	EUR		
<b>Dividend policy:</b> (Class A, C and D as at the above date)	<p>Non-Distributing Shares: No dividends will be declared or paid</p> <ul style="list-style-type: none"> <li>▶ A2, C2, D2</li> </ul> <p>Distributing Shares: Dividends, if declared will be paid in cash or reinvested</p> <ul style="list-style-type: none"> <li>▶ Monthly: A8</li> <li>▶ Yearly: A4</li> </ul> <p>All declared dividends result in an immediate decrease in the Fund's net asset values per share on ex-date, whether paid in cash or reinvested.</p> <p>Certain share class (Class 8) may pay dividends out of gross income while charging all or part of its fees and expenses to capital (i.e. payment of fees and expenses out of capital). This will result in an increase in distributable income available for payment as dividends, and therefore, this share class may effectively pay dividends out of capital. Class 8 may also pay dividends out of capital (including net realised and net unrealised capital gains) of the relevant share class at the Directors' discretion.</p> <p>The Directors may amend the above dividend policy subject to the SFC's prior approval and by giving one month's prior notice to investors.</p>		
<b>Minimum investment:</b>	<p>US\$5,000 initial, US\$1,000 additional for Class A and C Shares</p> <p>US\$100,000 initial, US\$1,000 additional for Class D Shares</p>		

## What is this product?

ESG Multi-Asset Fund (the "Fund") is a sub-fund of BlackRock Global Funds ("BGF"), an open-ended investment company incorporated in Luxembourg. Its home regulator is the Commission de Surveillance du Secteur Financier (CSSF).

## Objectives and Investment Strategy

To follow an asset allocation policy that seeks to maximise total return in a manner consistent with the principles of environmental, social and governance ("ESG")-focused investing. The Fund invests globally in stocks, bonds (including non-investment grade\*), collective investment schemes, cash and money market instruments.

The Fund's total assets will be invested in accordance with the ESG policy described below.

The Fund will apply the BlackRock EMEA Baseline Screens, which means that the Investment Adviser will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in the opinion of the Investment Adviser, have exposure to, or ties with, certain sectors (in some cases subject to specific revenue thresholds) including but not limited to:

- (i) the production of certain types of controversial weapons;
- (ii) the distribution or production of firearms or small arms ammunition intended for retail civilians;
- (iii) the extraction of certain types of fossil fuel and/or the generation of power from them;
- (iv) the production of tobacco products or certain activities in relation to tobacco-related products; and
- (v) issuers which have been deemed to have failed to comply with United Nations Global Compact

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

## Principles.

The Investment Adviser also intends to limit direct investment in securities of issuers involved in the production, distribution or licensing of alcoholic products; the ownership or operation of gambling-related activities or facilities; production, supply and mining activities related to nuclear power and production of adult entertainment materials. The assessment of the level of involvement in each activity may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received. The Investment Adviser will exclude any issuer with a MSCI ESG rating below BBB.

The remaining companies (i.e. those companies which have not yet been excluded from investment by the Fund) are then rated by the Investment Adviser based on their ability to manage the risks and opportunities associated with ESG compliant business practices and their ESG risk and opportunity credentials, such as their leadership and governance framework, which is considered essential for sustainable growth, their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on a company's financials.

To undertake this analysis, the Investment Adviser may use data provided by external ESG providers, proprietary models and local intelligence and may undertake site visits.

The Fund may gain limited exposure (through, including but not limited to, derivatives, cash and near cash instruments and shares or units of collective investment schemes and fixed income transferable securities (also known as debt securities) issued by governments and agencies worldwide) to issuers with exposures that do not meet the ESG criteria described above.

The Investment Adviser also intends to limit investments in companies within the Global Industry Classification Standard (GICS) Oil & Gas Exploration & Production sector and companies within the Global Industry Classification Standard (GICS) Integrated Oil & Gas sector to below 5% of its total assets.

The Fund adopts a “best in class” approach to sustainable investing. This means that the Fund selects the best issuers (from an ESG perspective) for each relevant sector of activities. More than 90% of the issuers of securities the Fund invests in are ESG rated or have been analysed for ESG purposes.

The Fund may invest up to 80% of its assets in equities; up to 80% in fixed income; up to 20% in cash and cash equivalents; and up to 20% in alternative investments (including hedge funds and/or commodities).

The Fund adopts a flexible approach to asset allocation, driven by proprietary macroeconomic research on equity, bond, currency markets and alternative investments. The Investment Adviser compares current valuations to its own analysis of the economic cycle to determine whether its estimated returns are more or less optimistic than the consensus. In order to generate returns in a risk-controlled manner, the Investment Adviser monitors factors outside its basic cycle-valuation framework, including investor sentiment and positioning.

The Fund's expected total maximum investment in debt instruments with loss-absorption features, including but not limited to contingent convertible bonds, will be less than 30% of its net asset value. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). The Fund's exposure to contingent convertible bonds is limited to 20% of its total assets.

Derivatives such as government bond futures and interest rate swaps may be used for hedging and mitigating interest rate risk. Foreign exchange forwards and futures may be used to minimize currency exposure. In addition to using derivatives for hedging and risk mitigation, the Fund may use derivatives such as futures, foreign exchange derivatives, swaps and options for investment purposes but it is not limited to a particular strategy regarding the derivatives usage.

The Fund uses Relative “Value at Risk” using 50% MSCI World Index / 50% FTSE World Government

Bond Euro Hedged Index to monitor and manage its global exposure.

Certain derivatives used by the Fund may be in respect of asset classes not correlated with the underlying securities positions held by the Fund such as derivatives on currencies.

The proportion of the Fund's net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 40% and will be consistent with the overall investment policy of the Fund. The Fund is also expected to enter into total return swaps ("TRS") and contracts for differences that have, in accordance with its investment policy, equity or fixed income securities and equity or fixed income related securities as underlying assets in aggregate for up to 100% of its net asset value.

## Use of Derivatives/Investment in Derivatives

The Fund's net derivative exposure may be more than 100% of the Fund's net asset value.

## What are the key risks?

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

### 1. Investment Risks

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

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

### 2. ESG Investment Policy Risks

The use of ESG criteria may affect the Fund's investment performance and, as such, the Fund may perform differently compared to similar funds that do not use such criteria. ESG-based exclusionary criteria used in the Fund's investment policy may result in the Fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their ESG characteristics when it might be disadvantageous to do so.

In evaluating a security or issuer based on ESG criteria, the Investment Adviser is dependent upon information and data from third party ESG providers, which may be incomplete, inaccurate, inconsistent or unavailable. As a result, there is a risk that the Investment Adviser may incorrectly assess a security or issuer. There is also a risk that the Investment Adviser may not apply the relevant ESG criteria correctly or that the Fund may gain limited exposure to issuers which may not be consistent with the relevant ESG criteria used by the Fund.

### 3. Credit Risks

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

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

### 4. Currency Risks

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

The Investment Adviser may utilise techniques and instruments (e.g. currency overlays) in relation to currencies other than the base currency with the aim of generating positive returns. Any active currency management techniques implemented by the Fund may not be correlated with the

underlying securities held by the Fund. As a result, the Fund may suffer significant losses even if there is no loss to the value of the underlying securities held by the Fund.

#### **5. Derivatives Risks**

Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and market risk. The leverage effect of derivatives can result in a loss significantly greater than the amount invested and extensive exposure to derivatives may lead to a significant loss by the Fund.

The Fund may have a net derivative exposure of more than 100% of its net asset value. This may magnify any potential impact of any negative change in the value of the underlying assets on the Fund and may also increase the volatility of the Fund's price and may lead to significant losses.

Certain derivatives such as derivatives on currencies may be uncorrelated with the underlying securities held by the Fund. In this regard the Fund may suffer significant losses notwithstanding that there may be no loss in respect of the underlying securities positions (predominantly fixed income securities) held by the Fund.

#### **6. Interest Rate Risks**

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

#### **7. Non-Investment Grade / Unrated Bonds Risks**

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

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

#### **8. Sovereign Debt Risks**

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

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

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

#### **9. Securities Lending Risks**

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

#### **10. Risks relating to TRS**

The risk of loss with respect to TRS is limited to the net amount of the difference between the total

rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund's risk of loss consists of the net amount of total return payments that each party is contractually entitled to receive.

#### **11. Risks relating to Contracts for Differences**

By investing in contracts for differences, the Fund may expose itself to market risk and liquidation risk depending on the change in the price of the underlying assets and any consequential margin call. The Fund may also be exposed to counterparty/credit risk if the counterparty to a contract fails to meet their financial obligations, which may lead to a contract having little or no value regardless of the value of the underlying assets.

#### **12. Liquidity Risks**

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

#### **13. Contingent Convertible Bonds Risks**

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

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

#### **14. Capital Growth Risks**

##### *Risks associated with Fees and/or Dividends Paid Out of Capital*

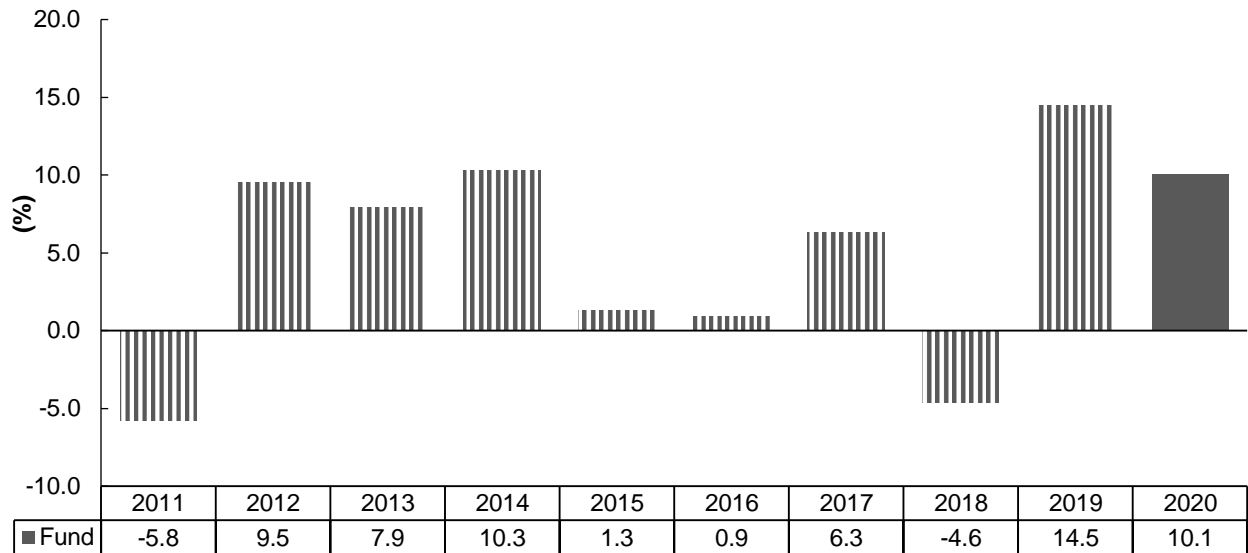
Any distributions involving payment of dividends out of capital (Class 8), payment of dividends out of gross income (i.e. payment of fees and expenses out of capital) (Class 8) or payment of implied interest rate differentials arising from share class currency hedging as dividends (Class 8) amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Whilst all dividends paid result in an immediate reduction of the net asset value per share, these share classes may pay larger dividends (i.e. by paying dividends out of capital, gross income or interest rate differentials arising from share class currency hedging gains (if any)), which may therefore result in a larger reduction in the net asset value per share.

##### *Payment of Dividends From Implied Interest Rate Differentials*

For Distributing (R) Shares (Class 8), any dividends payable may include interest rate differentials arising from share class currency hedging gains/losses which may increase/decrease dividends paid. Shareholders of such Distributing (R) Shares will forego capital gains as any currency hedging gains are distributed rather than added to capital. Conversely, currency hedging losses may decrease the dividends paid, and in extreme cases may deduct from capital.

## How has the fund performed?

Historic performance to 31 December 2020



During this period the performance of the Fund was achieved under circumstances that no longer apply. The Fund changed its investment policy in 2017 and 2019.

### Notes:

Past performance information is not indicative of future performance. You may not get back the full amount invested. The computation of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested expressed as a % change. These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in EUR, including ongoing charges and taxes and excluding subscription and redemption fees, if applicable. The past performance information reflects the performance of the A2 base currency share class which the Investment Adviser views as the most appropriate representative share class. Please refer to the website [www.blackrock.com/hk](http://www.blackrock.com/hk) for performance information regarding other share classes. This website has not been reviewed by the SFC.

Fund launch date: 1999

Share class launch date: 1999

## Is there any guarantee?

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

## What are the fees and charges?

### Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund:

Fee	What you pay
<b>Subscription Fee (Initial Charge)</b>	Class A and Class D Shares: up to 5% of the price of shares Class C Shares: Nil
<b>Switching Fee (Conversion Charge)</b>	Nil <sup>^</sup> , except a delayed Initial Charge of up to 5% of the price of Class A or Class D Shares may be payable upon switching newly acquired Shares in a Reserve Fund into this Fund
<b>Redemption Fee</b>	Nil <sup>^</sup>
<b>Contingent Deferred Sales Charge</b>	Class A and Class D Shares: Nil Class C Shares: 1% of the lower of the original investment amount or redemption proceeds if the Shares are held for less than one year

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

### Ongoing fees payable by the Fund

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

Fee	Annual rate
<b>Management Fee</b>	1.20% of the net asset value of the relevant Class A and Class C Shares respectively* 0.65% of the net asset value of the relevant Class D Shares*
<b>Depository Fees<sup>#</sup></b>	Safekeeping fees: 0.0024% to 0.45% of the value of the securities Transactional fees: US\$5.5 to US\$124 per transaction
<b>Performance Fee</b>	Nil
<b>Annual Service Charge</b>	Up to 0.25% of the net asset value of the relevant share class*
<b>Distribution Fee</b>	Class A and Class D Shares: Nil      Class C Shares: 1.25% of the net asset value of the relevant share class

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

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

### Other fees

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

## Additional Information

- ▶ You generally buy and redeem shares at the Fund's next-determined price as long as the Hong Kong Representative or the Transfer Agent receives your request in good order before the 6:00p.m. cut-off (HK time). Please check whether your distributor has an internal cut-off time which is earlier than this.
- ▶ The net asset value of the Fund is calculated daily. Prices of shares are published each business day on [www.blackrock.com/hk](http://www.blackrock.com/hk). This website has not been reviewed by SFC.
- ▶ The updated list of currently available shares is available from the Hong Kong Representative.
- ▶ The composition of the latest dividends (i.e. relative amounts paid from (i) net distributable income and (ii) capital) for the last 12 months are available from the Hong Kong Representative upon request and on [www.blackrock.com/hk](http://www.blackrock.com/hk). This website has not been reviewed by the SFC.

## Important

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

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