

BlackRock Global Funds – Dynamic High Income Fund

September
2023

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

<i>This statement provides you with key information about this product</i> <i>This statement is a part of the offering document</i> <i>You should not invest in this product based on this statement alone</i>			
Quick facts			
Management Company:	BlackRock (Luxembourg) S.A.		
Investment Adviser(s) and/or Sub-Adviser(s):	Internal delegation to one or more Investment Adviser(s) and/or Sub-Adviser(s) as described in “The Investment Advisers and Sub-Advisers” section of the Information For Residents of Hong Kong*		
	* <i>Details of the relevant Investment Adviser(s) and Sub-Adviser(s) responsible for the Fund will be listed in the interim report and annual report and will be available from the Hong Kong Representative upon request.</i>		
Depository:	The Bank of New York Mellon SA/NV, Luxembourg Branch		
Ongoing charges over a year:	Class A2	CHF Hedged	1.77%
	Class A2	SGD Hedged	1.77%
	Class A2	USD	1.77%
	Class A6	CAD Hedged	1.77%
	Class A6	CHF Hedged	1.77% *
	Class A6	EUR Hedged	1.77%
	Class A6	GBP Hedged	1.77%
	Class A6	HKD Hedged	1.77%
	Class A6	JPY Hedged	1.77% *
	Class A6	SGD Hedged	1.77%
	Class A6	USD	1.77%
	Class A8	AUD Hedged	1.77%
	Class A8	EUR Hedged	1.77%
	Class A8	NZD Hedged	1.77%
	Class A8	RMB Hedged	1.77%
	Class D2	CHF Hedged	1.03%
	Class D2	EUR	1.02%
	Class D2	EUR Hedged	1.02%
	Class D2	USD	1.02%
	Class D5(G)	GBP Hedged	1.02%
	Class D6	USD	1.02%
	The ongoing charges figure for a class is based on the costs and expenses of that class with reference to the annual report of the Fund for the year ended 31 August 2022.		

	<p>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.</p> <p>The figure may vary from year to year.</p>		
Dealing frequency:	Daily	Financial year end:	31 August
Base currency:	USD		
Dividend policy: (Class A 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"> ▶ A2, D2 <p>Distributing Shares: Dividends, if declared will be paid in cash or reinvested</p> <ul style="list-style-type: none"> ▶ Monthly: A6, A8, D6 ▶ Quarterly: D5(G) <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>All distributing share classes may pay dividends out of gross income while charging all or part of their 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, these share classes may effectively pay dividends out of capital. Classes 6 and 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>		
Minimum investment:	<p>US\$5,000 initial, US\$1,000 additional for Class A Shares</p> <p>US\$100,000 initial, US\$1,000 additional for Class D Shares</p>		

What is this product?

Dynamic High Income 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 a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund's assets in income producing assets such as fixed income securities (which may from time to time comprise up to 100% of the Fund's net asset value and include the full range of fixed income securities, which may be fixed and floating and may be investment grade, non-investment grade or unrated*, such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as asset-backed securities ("ABS"), mortgage-backed securities ("MBS") and contingent convertible bonds), equities (which may from time to time comprise up to 100% of the Fund's net asset value and include the full range of equity securities, such as preference shares and equity-related securities), units of collective investment schemes, covered call options and cash deposits.

The Fund will use a variety of investment strategies and may invest globally in the full spectrum of permitted investments. The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation. The Fund has no particular focus in terms of industry/sector, geographical region or market capitalisation in the selection of any of its investments.

As part of its investment objective the Fund may invest up to 50% of its total assets in ABS and MBS whether investment grade or not. These may include asset-backed commercial paper, collateralised debt

obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations.

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.

It is not anticipated that the Fund will invest more than 10% of its net asset value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade or unrated*.

The Fund may use derivatives for hedging, efficient portfolio management and investment purposes. The Fund may employ currency management and hedging techniques which may include hedging the currency exposure on the Fund's portfolio and/or using more active currency management techniques such as currency overlays. Any active management techniques implemented by the Fund through the currency derivatives such as forward exchange contracts, currency futures and options may not be correlated with the primary underlying securities held by the Fund.

The proportion of the Fund's net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 49% and will be consistent with the overall investment policy of the Fund.

Use of Derivatives/Investment in Derivatives

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

What are the key risks?

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

1. Investment Risks

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

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. Risk relating to Dynamic Asset Allocation Strategy

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

3. Risks associated with Fixed Income Securities

- *Credit / counterparty risk:* The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in. In the event of bankruptcy or default of an issuer, the Fund may experience losses and incur costs.
- *Interest rate risk:* Investment in the Fund is subject to interest rate risk. In general, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise.

* 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.

- *Volatility and liquidity risk:* The debt securities in certain countries and regions may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations.
- *Downgrading risk:* The actual or perceived downgrading of a rated debt security or its issuer could decrease its value and liquidity, and may have an adverse impact on the Fund. The Fund may or may not be able to dispose of the debt securities that are being downgraded.
- *Non-investment grade / unrated bonds risk:* The Fund may invest in debt securities rated below investment grade or unrated.

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 bond 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.

- *Sovereign debt risk:* Investment in bonds issued or guaranteed by governments or authorities may involve political, social, 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.
- *Valuation risk:* Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Fund.
- *Credit rating risk:* Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

4. Risks associated with Equities

- *Equity market risk:* The values of equities fluctuate daily and the Fund investing in equities is subject to general market risks and could incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including changes in investment sentiment, trends in economic growth, inflation and interest rates, issuer-specific factors, corporate earnings reports, demographic trends and catastrophic events.

5. Risks associated with Preference Shares

Preference shareholders do not have the same ownership rights in the company as common shareholders. The lack of voting rights means the company is not beholden to preferred shareholders the way it is to equity shareholders. Although preference shares have a fixed dividend that must be paid before any dividends can be paid to common shareholders, such fixed dividend may become less of a bargain to the Fund when interest rates rise. Also, even when the earnings of the relevant company are high, the Fund's investment in preference shares may not give the Fund additional return due to the fixed dividend. The value of the Fund may therefore be adversely affected.

6. Risks associated with Investments in ABS and MBS

The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds.

ABS and MBS are often exposed to extension risk (where obligations in the underlying assets are not paid on time) and prepayment risks (where obligations on the underlying assets are paid earlier than expected). These risks may have a substantial impact on the timing and size of the cashflows paid by the securities and may negatively impact the returns of the securities.

7. Capital Growth Risks

Risks associated with Income-generating Investment Strategy

The Fund pursues an investment strategy in order to generate income which may reduce the potential for capital growth and future income of the Fund.

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

Any distributions involving payment of dividends out of capital (Classes 6 and 8) or payment of dividends out of gross income (i.e. payment of fees and expenses out of capital) (Classes 5(G), 6 and 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.

8. 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.

9. Emerging Market Risks

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

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

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

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

10. Derivatives Risks

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

In addition, the Fund may invest in covered call options. The Fund as a seller of a covered call option gives up the opportunity for gain on the underlying instrument in respect of the option above the exercise price of the option. The value of the Fund may be adversely affected as a result.

11. 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.

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

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

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

RMB is traded in both the onshore and offshore markets. While both onshore RMB (“**CNY**”) and offshore RMB (“**CNH**”) represent the same currency, they are traded in different and separate markets which operate independently. The Management Company will apply the CNH rate for currency conversion of RMB denominated share classes. Any divergence between CNH and CNY may adversely impact investors.

13. Foreign Investments Restrictions Risks

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

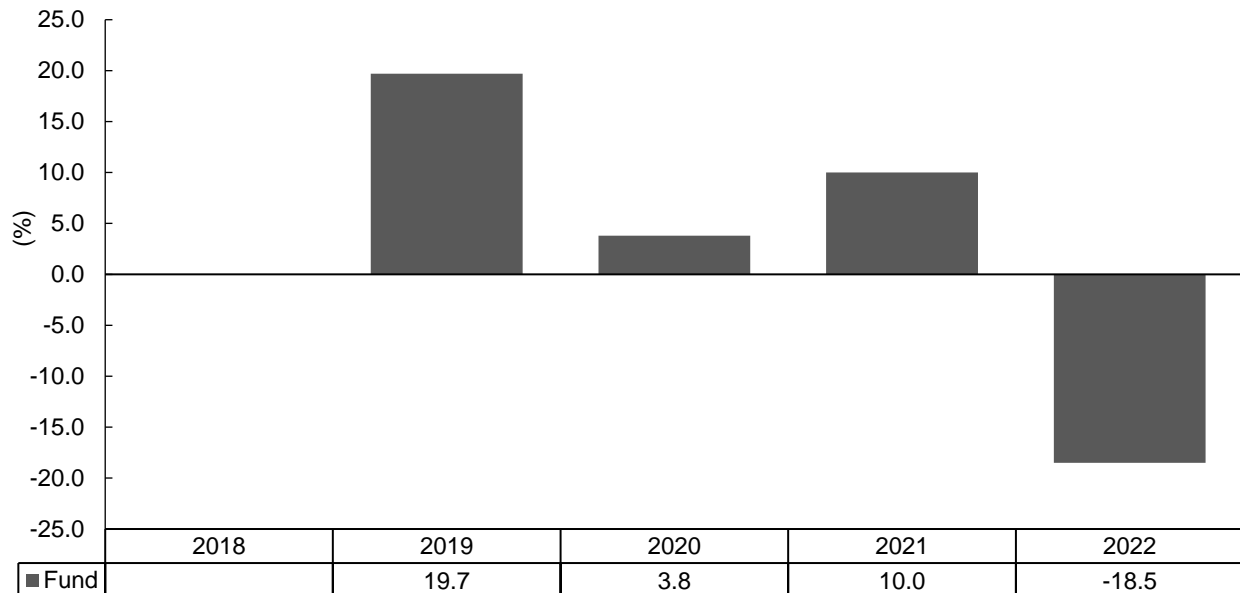
14. Contingent Convertible Bonds Risks

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

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

How has the fund performed?

Historical performance to 31 December 2022

**Notes:**

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

Fund launch date: 2018

Share class launch date: 2018

Is there any guarantee?

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

What are the fees and charges?

Charges which may be payable by you

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

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

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

Ongoing fees payable by the Fund

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

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

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

[#] Subject to change without prior notice

Other fees

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

Additional Information

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

Important

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

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