BlackRock Multi Opportunity Absolute Return Fund
Product Disclosure Statement

BlackRock

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BlackRock Multi Opportunity Absolute Return Fund
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BlackRock Investment Management (Australia) Limited
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BlackRock Multi Opportunity Absolute Return Fund

1.	Before you start	3
1.1	Important information	3
1.2	About this product disclosure statement	3
1.3	Changes to this product disclosure statement and access to additional information	3
1.4	Need help?	3
1.5	About managed funds	3
1.6	Investing through an IDPS, superannuation fund or master trust	3
1.7	Incorporation by reference	4
1.8	Target Market Determination	4
1.9	Disclosure principles	4
1.10	Benchmark 1: Valuation of assets	4
1.11	Benchmark 2: Periodic reporting	4
2.	**Fund features at a glance**	**5**
3.	**About the Fund**	**7**
3.1	What is the investment objective of the Fund?	7
3.2	What is the Fund's investment strategy?	7
3.3	Key dependencies underlying the Fund's investment strategy	9
3.4	Changes to the Fund's investment strategy	9
3.5	What does the Fund invest in?	9
3.6	Use of derivatives	11
3.7	Use of leverage	11
3.8	Liquidity	12
3.9	What are the significant benefits of investing in the Fund?	13
4.	**Fund risks**	**14**
4.1	What are the risks of investing?	14
4.2	General risks	14
4.3	Specific risks of this Fund?	14
4.4	General risks of investing in the Fund	15
4.5	Risk management	16
5.	**Management of the Fund**	**17**
5.1	About the investment manager	17
5.2	Other key service providers	18
6.	**Fees and other costs**	**19**
6.1	Fees and costs summary	19
6.2	Example of annual fees and costs of the Fund	21
6.3	Additional explanation of fees and costs	21
7.	**Investing in and redeeming from the Fund**	**23**
7.1	How to invest	23
7.2	How you receive income from your investment	23
7.3	Redeeming your investment	23
7.4	Do you have "cooling off" rights?	23
8.	**Additional information**	**24**
8.1	**How managed investment schemes are taxed**	**24**
8.2	**Enquiries and complaints**	**24**

Responsible Entity contact details

BlackRock Investment Management (Australia) Limited
Level 37, Chifley Tower
2 Chifley Square
Sydney New South Wales 2000

Telephone: 1300 366 100
Facsimile: 1300 366 107
Email: clientservices.aus@blackrock.com
Website: www.blackrock.com/au

1. Before you start

1.1 Important information

Investment in the BlackRock Multi Opportunity Absolute Return Fund (referred to in this Product Disclosure Statement (**PDS**) as the **Fund**) is offered and managed by BlackRock Investment Management (Australia) Limited, ABN 13 006 165 975 (referred to in this PDS as **BlackRock**, the **Responsible Entity**, the **Manager**, **we**, **our** or **us**). BlackRock is the manager of the Fund and acts as the responsible entity under the Corporations Act 2001 (Cth) (the **Corporations Act**). We are the issuer of this PDS and of units in the Fund.

BlackRock is a wholly owned subsidiary of BlackRock, Inc.® (**BlackRock Inc**) but is not guaranteed by BlackRock Inc or any BlackRock Inc subsidiary or affiliated entity (collectively the **BlackRock Group**). Neither BlackRock nor any member of the BlackRock Group guarantees the success of the Fund, the achievement of the investment objective, or the repayment of capital or particular rates of return on investment or capital. An investor in the Fund could lose all or a substantial part of their investment. In particular, the performance of the Fund will depend on the performance and market value of the assets held by the Fund.

We reserve the right to outsource any or all investment, management and administration functions, including to related parties, without notice to investors.

1.2 About this product disclosure statement

This PDS describes the main features of the Fund.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. It is not available in any other country. Units in the Fund have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any of the states of the United States of America (U.S.). The Fund is not and will not be registered as an investment company under the U.S. Investment Company Act of 1940. Investment in units of the Fund by or on behalf of U.S. persons is not permitted. Units in the Fund may not at any time be offered, sold, transferred or delivered within the U.S. or to, or for the account or benefit of, a U.S. person. Any issue, sale or transfer in violation of this restriction will not be binding upon the Fund and may constitute a violation of U.S. law.

The information provided in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. You should therefore assess whether the information is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances.

If any part of this PDS is established to be invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

The offer or invitation to subscribe for Units in the Fund under this PDS is subject to the terms and conditions described in this PDS. We reserve the right to accept or decline Unit application requests in full or in part and reserve the right to change these terms and conditions.

If you have received this PDS electronically, we can provide you with a paper copy free of charge upon request by contacting Client Services (refer to page 2 of this PDS for contact details).

1.3 Changes to this product disclosure statement and access to additional information

Information contained in this PDS is current as at the date of this PDS. Certain information in this PDS, as well as the terms and features of the Fund, is subject to change from time to time. We will notify you of any material changes or other significant events that affect the information in this PDS in accordance with our obligations under the Corporations Act.

Updated information that is not materially adverse can be obtained from our website at www.blackrock.com/au. A paper copy of any updated information will be given, or an electronic copy made available, free of charge upon request.

Where the Fund is subject to the continuous disclosure requirements of the Corporations Act, we will satisfy our obligations by disclosing material information regarding the Fund on our website at www.blackrock.com/au. A paper copy of this material is available free of charge upon request.

1.4 Need help?

If you have questions about or need help investing, we recommend you speak to a licensed financial adviser. The Australian Securities and Investments Commission (**ASIC**) can help you check if a financial adviser is licensed. They have a website at www.asic.gov.au as well as a help line you can call on 1300 300 630.

If you have questions about the Fund and have invested indirectly through an IDPS, superannuation fund or master trust you should contact the operator of that service.

If you are an investor in the Fund you can contact Client Services (refer to page 2 of this PDS for contact details) or visit our website at www.blackrock.com/au.

1.5 About managed funds

Managed funds are designed to give investors access to a range of investments by pooling your money with that of other investors, giving you the opportunity to access markets that you may not be able to invest in on your own.

There are many types of managed funds available, enabling you the opportunity to diversify your portfolio with a view to achieving an appropriate balance of investments and asset classes to suit your investment objectives and risk profile.

When you invest in a managed fund you are issued with a number of “units”, rather than directly receiving an interest in the assets of the managed fund. Each of these units represents an equal share in the net assets of the managed fund as a whole and are not related to any particular asset. As a result, each unit has a dollar value or 'unit price'. The number of units you receive is dependent on the amount of money you invest and based on the application unit price at the time you invest. Your units represent the value of your investment, which will change over time as the market value of the assets fluctuates.

1.6 Investing through an IDPS, superannuation fund or master trust

If you have invested through an IDPS, superannuation fund or master trust, you can use this PDS for information purposes; however, if you wish to make any change to your investment you should contact the operator of such service and complete their required documentation. The operator of such service may process unitholder transactions and requests in accordance with processes that are different to those set out in this document.

1.7 Incorporation by reference

The Corporations Act allows us to provide certain information to you separately to this PDS.

Where you see references to "Additional information has been incorporated by reference" this means that additional information concerning the topic has been incorporated by reference and forms part of the PDS.

Additional information is incorporated by reference into the following documents:

- BlackRock Multi Opportunity Absolute Return Fund – Strategy Funds; and
- BlackRock Additional Fund Information No. 2.

You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product. A paper copy of these documents are available free of charge upon request by contacting Client Services (refer to page 2 of this PDS for contact details). Alternatively these documents can be found on our website at www.blackrock.com/au.

1.8 Target Market Determination

BlackRock has issued a target market determination (**TMD**) which, among other things, describes the class of consumers for whom this product is likely to be consistent with their likely objectives, financial situation and needs.

BlackRock and its distributors must take reasonable steps to distribute this product to consumers described in the TMD.

The TMD for this product can be obtained by contacting Client Services and may be available on the BlackRock website at www.blackrock.com/au.

1.9 Disclosure principles

This PDS addresses the ASIC disclosure principles. Each disclosure principle identifies a key area that ASIC considers investors should understand before making a decision to invest in the Fund. Section 2 of this PDS, titled "Fund features at a glance", includes a table summarising the information provided in relation to the disclosure principles and provides a cross reference to where further information can be found in this PDS.

1.10 Benchmark 1: Valuation of assets

The Fund and the underlying funds into which the Fund invests either directly or indirectly meet the ASIC benchmark, except in certain (generally infrequent) circumstances, as set out below.

The BlackRock Group generally implements valuation policies that require fund assets that are not exchange traded to be valued by an independent administrator or an independent valuation service provider. In certain (generally infrequent) circumstances where a valuation cannot be obtained from an independent administrator or an independent valuation service provider, the asset may be valued on another basis in accordance with the applicable valuation policy. The valuation process may have regard to the nature of the asset and to any relevant factors, to address any risks of lack of independence in valuations and related party conflicts of interest, which may include referring the matter to an internal committee and/or board of trustees/directors. Prices are generally required to be estimated in good faith and are to be representative of the probable realisation value of the security.

1.11 Benchmark 2: Periodic reporting

BlackRock meets the ASIC benchmark and implements a policy to report on the following Fund information on an annual basis. Where required, information will also be provided with regard to the underlying funds into which the Fund invests either directly or indirectly:

- the actual allocation to each asset type held by the fund;
- the liquidity profile of the fund's assets;
- the maturity profile of the fund's liabilities;
- the leverage ratio of the fund;
- derivative counterparties engaged;
- annual investment returns; and
- changes to key service providers and their related party status.

A copy of the annual report is available free of charge from our website at www.blackrock.com/au or upon request from Client Services (refer to page 2 of this PDS for contact details), your financial adviser or your IDPS, superannuation fund or master trust operator.

On a monthly basis the following Fund information will also be made available free of charge from our website at www.blackrock.com/au. Where required, information will also be provided with regard to the underlying funds into which the Fund invests either directly or indirectly

- the current total net asset value (**NAV**) of the fund and the redemption value of a unit of the fund as at the date on which the total NAV was calculated;
- changes to key service providers and their related party status;
- the net return on the fund's assets after fees, costs and taxes;
- any material change in the fund's risk profile;
- any material change in the fund's strategy; and
- any change in the individuals playing a key role in investment decisions for the fund.

2. Fund features at a glance

The main features of the Fund are contained below. Further information can be found within the referenced sections of this PDS.

Fund feature	Summary	For additional information refer to:
Investment objective	The Fund aims to achieve a return of 8% p.a., before fees, above the RBA Cash Rate Target (**Benchmark**) over rolling 3-year periods.	Section 3.1
Investment strategy	The Fund aims to outperform the Benchmark by providing investors with a source of risk controlled absolute returns that are, over time, expected to have low correlations with the returns of major asset classes. The Fund accesses its investment strategy through an investment in the BlackRock Multi Opportunity Fund (**Wholesale Fund**), which provides exposure to a diversified range of absolute return investment strategies through investments (both direct and indirect) in a number of pooled investment vehicles (**Strategy Funds**).	Section 3.2 to 3.4 [1]
Short selling	While the Fund and Wholesale Fund do not engage in short selling a number of the Strategy Funds may do so. Unlike "long only" investments, which have just one source of return; that is buying securities that are expected to rise in value, long/short strategies have two sources of potential return. A fund that employs a long/short investment strategy can generate returns by owning securities that the manager expects will rise in value (long). At the same time the fund can sell (short) securities that are expected to decrease in value. This latter process is known as "short selling".	Section 3.2 [1]
Fund structure and location of assets	The Fund is an Australian registered managed investment scheme and is denominated in Australian dollars. The Fund invests substantially all of its assets in the Wholesale Fund. Assets of the Fund are denominated in Australian dollars and are located in Australia. The Wholesale Fund is also an Australian registered managed investment scheme. The Wholesale Fund provides exposure to the Strategy Funds, which are generally domiciled in Australia, Cayman Islands, or Ireland and are generally denominated in U.S. or Australian dollars. Currency exposures within the share class of the Strategy Funds into which the Wholesale Fund invests are hedged back to Australian dollars. Strategy Funds implement a diversified range of investment strategies that form part of the Fund's own investment strategy and provide exposure to long and short positions across a broad range of global markets including but not limited to equities, fixed income, currency, commodity, credit and money markets in both developed and emerging markets.	Section 3.5 [1]
Use of derivatives	Derivatives are financial instruments whose value is derived from another security, commodity, currency, or index. The use of these instruments can reduce the costs of managing exposure to investment markets and makes possible a wider universe of investment opportunities. While the Fund does not hold derivatives directly, the Wholesale Fund and Strategy Funds may use derivatives.	Section 3.6 [1]
Use of leverage	The Fund does not enter into borrowing arrangements for investment purposes, other than temporary overdrafts which may be used as a means of managing certain cash flows. The Fund will, however, gain leveraged exposure through its exposure to the Strategy Funds, which may utilise leverage in their investment strategies. While there is no explicit maximum level of gross leverage that the Fund may be exposed to, as at the date of this PDS, the gross leverage the Fund is expected to range between approximately 8 to 20 times NAV.	Section 3.7 [1]

1 Refer to the BlackRock Multi Opportunity Absolute Return Fund – Strategy Funds document, which contains additional information on this subject which has been incorporated by reference.

Fund feature	Summary	For additional information refer to:
Liquidity	As at the date of this PDS, the Fund invests substantially all of its assets in the Wholesale Fund, which provides the Fund with exposure to the Strategy Funds, each of which has varying liquidity parameters. Given that the Wholesale Fund and a number of the Strategy Funds are monthly valued funds, should the need arise, BlackRock will be unable to realise at least 80% of the assets of the Fund within 10 days. Blackrock expects, however, to realise at least 80% of the assets of the Fund at the value ascribed to those assets in calculating the Fund's monthly NAV, as at each Trade Date.	Section 3.8 [1]
Fund risks	Before you make an investment decision it is important to identify your investment objectives and the level of risk that you are prepared to accept. The Fund's investment strategy (including its exposure to short selling, derivatives, liquidity and leverage) and investment structure all have specific risks which you should consider before making an important decision.	Section 4
Management of the Fund	**Investment manager:** BlackRock is the responsible entity and investment manager of the Fund and Wholesale Fund. BlackRock is licensed by ASIC, which is responsible for regulating the operation of managed investment schemes like the Fund. Each Strategy Fund is managed by and/or have appointed as their investment manager a member of the BlackRock Group.	Section 5.1 [1]
	Key service providers: The Fund, Wholesale Fund and Strategy Funds have each appointed a number of key service providers who are involved in each fund's ongoing operation and administration.	Section 5.2 [1]
	Valuation of assets: Where assets of the Fund, Wholesale Fund and Strategy Funds are not listed on a securities exchange, they are generally valued by an independent administrator or an independent valuation service provider.	Section 1.8
	Custody of assets: The Fund, Wholesale Fund and Strategy Funds have each engaged an independent custodian.	Section 5.2 [1]

Fund fees	▶ Establishment fee – Nil
	▶ Contribution fee – Nil
	▶ Withdrawal fee – Nil
	▶ Termination fee – Nil
	▶ Management fees and costs – 1.55% p.a. of assets under management
	  ○ Management fee of 1.25% p.a. of assets under management
	  ○ Estimated indirect costs of 0.30% of assets under management
	▶ Performance fee – 20% of the dollar value added by the Fund over the Benchmark.
	▶ Switching fee - Nil
		Section 6 [2]

Minimum initial investment	When investing in the Fund you generally need a minimum amount of $50,000 or such other amount as we may determine from time to time. There is no minimum investment for subsequent applications.	Section 7.1 [2]
Applying and redeeming from the Fund	The Fund is a monthly valued fund and is generally available for unit holder applications and redemptions on each Trade Date. The deadline for receipt of an application or redemption request is generally 15 Business Days before each Trade Date. Refer to section 7.1 of this PDS titled "How to invest" for further information.	Section 7 [2]
Distributions	Distributions are generally determined at the end of June each year.	Section 7.2 [2]

1 Refer to the BlackRock Multi Opportunity Absolute Return Fund – Strategy Funds document, which contains additional information on this subject which has been incorporated by reference.

2 Refer to the BlackRock Additional Fund Information No. 2 document, which contains additional information on this subject which has been incorporated by reference.

3. About the Fund

3.1 What is the investment objective of the Fund?

The Fund aims to achieve a return of 8% p.a., before fees, above the RBA Cash Rate Target (**Benchmark**) over rolling 3-year periods.

3.2 What is the Fund's investment strategy?

The Fund aims to outperform the Benchmark by providing investors with a source of risk controlled absolute returns that are, over time, expected to have low correlations with the returns of major asset classes.

The Fund accesses its investment strategy through an investment in the BlackRock Multi Opportunity Fund (**Wholesale Fund**) which provides exposure to a diversified range of absolute return investment strategies through investments (both direct and indirect) in a number of pooled investment vehicles (**Strategy Funds**). The range of strategies may include, but are not limited to, any one or more of the following, allocation to which may vary over time:

- **Systematic Equity Market Neutral strategies:** Quantitively-driven hedge fund strategies that aim to exploit inefficiencies in individual stock prices by gaining exposure to long and short positions in local and global equity markets. The market-neutral construct targets a zero net-market exposure (i.e., a market beta of zero). Most of the risk comes from idiosyncratic, stock specifics.
- **Fundamental Equity Long-Short strategies:** These are high conviction, concentrated equity portfolios that are built using a fundamental, bottom-up approach. The hedge fund teams take long and short positions in global equity markets with the aim to exploit security mispricing.
- **Event Driven strategies:** seek to capture the structural and persistent risk premia in merger arbitrage through a robust and repeatable investment process focused on companies that are involved in publicly announced definitive mergers, takeovers, tender offers, leveraged buyouts, and other corporate combinations.
- **Fixed Income Absolute Return strategies:** Exploit opportunities across global fixed income markets by taking long and short positions in a broad range of fixed income securities including, but not limited to: sovereign bonds; corporate credit; mortgages; and other securities.
- **Global Macro/Managed Futures strategies:** Exploit inefficiencies across global markets by gaining exposure to long and short positions across a broad array of global assets including, but not limited to: equities; bonds; currencies; commodities, derivatives; and other assets. These strategies may utilize both fundamental and/or trend following insights to construct portfolios.
- **Market Neutral Style Premia strategies:** Capture positive returns from a range of style factor strategies across global asset classes while maintaining low correlation to broad market factors.

We aim to continuously explore the addition of new investment strategies where they are in keeping with the Fund's investment strategy.

In contrast to many single strategy funds, the Fund aims to deliver a successful investment outcome by gaining exposure to a diversified range of investment strategies. The Strategy Funds are chosen for their use of unique investment insights, which aim to exploit security/market-pricing inefficiencies that are identified by research. They seek to consistently add value above their respective cash benchmarks and are expected to be lowly correlated with each other.

Our investment strategy is implemented in three stages:

- strategy due diligence & selection;
- capital allocation; and
- core security/market selection.

Our investment philosophy is based on our belief that people, empowered by technology, are central to the consistent achievement of our clients' investment goals.

We believe that a focus on total performance management is the best way to achieve superior investment results. Through total performance management, we aim to understand, measure, forecast and manage the three dimensions of investment performance — return, risk and cost.

Our global investment philosophy applies to all BlackRock absolute return investment strategies. Our approach to managing absolute return strategies is characterised by experienced and well informed investment teams who research and implement their active investment insights and risk controls through the extensive use of technology.

Due diligence and selection of Strategy Funds

The Fund invests substantially all of its assets in the Wholesale Fund. Given that the Fund and Wholesale Fund are both managed by BlackRock, we did not undertake a formal due diligence process as part of the Fund's selection of the Wholesale Fund. BlackRock does, however, undertake continuous monitoring and periodic reviews as part of its management of each fund. Underlying Funds may be domiciled in any country in the world, including Australia, the Cayman Islands, Luxembourg or Ireland and are generally denominated in either U.S. or Australian dollars. Underlying Funds may take the form of Australian registered managed investment schemes, Irish unit trusts or public limited companies, Cayman Islands exempted companies, Luxembourg limited companies, or US domiciled ETFs. A list of the Underlying Funds can be provided free of charge by contacting Client Services (refer to page 2 of this PDS for contact details).

We continuously explore the BlackRock Group for the latest and most innovative research and investment ideas, utilising the BlackRock Group's extensive pool of investment specialists. A rigorous due diligence process is conducted on short-listed strategies to assess the potential for inclusion in the Wholesale Fund. This process involves a detailed assessment of both qualitative and quantitative factors relevant to each strategy. Once a strategy is chosen for inclusion, regular due diligence is conducted on each Strategy Fund to ensure these strategies continue to meet the Wholesale Fund's strict investment criteria.

Where a Strategy Fund invests in another fund, a formal due diligence process is generally undertaken in advance of any investment being made. This may not apply where the Strategy Fund is part of a master feeder investment structure. Under a master feeder investment structure, the Strategy Fund substantially or wholly invests in another fund with the same investment strategy as the Strategy Fund. Continuous monitoring and periodic reviews of any fund investment is a material part of the BlackRock Group's general investment management process.

Capital allocation

Once a Strategy Fund is chosen, capital is allocated to construct a diversified portfolio taking into account each Strategy Fund's expected risk and return parameters, the expected correlations

between the Strategy Funds and the expected trading costs with the aim of achieving the Wholesale Fund's overall investment objective. In managing the Wholesale Fund's investment objective, BlackRock may increase or reduce the number of Strategy Funds to which the Wholesale Fund is exposed. Capital allocations are made solely at the discretion of BlackRock.

Core security/market selection

Security/market selection typically occurs at the Strategy Fund level. The portfolio construction process aims to forecast market returns based on inefficiencies identified by research. The process aims to ensure that both investment risk and implementation costs are adequately compensated. The process begins with investment insights, which are used to create forecasts of future market returns. These insights are carefully evaluated and aim to be complementary to existing portfolio insights.

A number of Strategy Funds may be significantly leveraged and/or engage in short selling as a means of tailoring risk and return characteristics in pursuing their investment objective. This is done in a risk controlled manner in line with the BlackRock Group's robust risk framework. Risk for each Strategy Fund is measured and monitored by the BlackRock Group's Risk and Quantitative Analysis Team.

Currency management

In addition to gaining exposure to the Strategy Funds, the Fund may also be exposed to currency hedging and money market strategies in accordance with the Fund's investment objective. For example, the Fund may be exposed to a number of offshore Strategy Funds, which may have a benchmark other than an Australian cash based benchmark. The Fund may therefore be exposed to various currency hedging strategies to hedge the returns of an offshore Strategy Fund back to Australian Dollars.

Long/short investing

While the Fund and Wholesale Fund do not engage in short selling a number of Strategy Funds may do so. The Fund, Wholesale Fund and Strategy Funds do not seek to restrict the investment strategies of the underlying fund(s) into which they invest with regard to their use of short selling, including the level of short selling that may be undertaken. Short selling exposure is controlled at each level of the investment structure, through the oversight and management of each fund's investment strategy.

Unlike "long only" investments, which have just one source of return; that is buying securities that are expected to rise in value, long/short strategies have two sources of potential return. A fund that employs a long/short investment strategy can generate returns by owning securities that the manager expects will rise in value (long). At the same time the fund can sell (short) securities that are expected to decrease in value. This latter process is known as "short selling".

The Fund may be exposed to investment strategies that engage in short selling either directly through borrowing and selling physical securities or synthetically through derivatives.

To implement short selling using direct securities, a fund will borrow securities from a counterparty that is a securities lender, with the promise to return equivalent securities at a specified time in the future to that counterparty. The borrowed securities will then be sold by the fund on the open market. If the security falls in value, the fund will purchase the security and return those securities to the lender, thus generating a profit. However, if the security increases in value, this will generate a loss for the fund.

To implement short selling using derivatives a fund may utilise futures, options or other instruments, which derive their value from another reference rate or asset. For example, a fund may sell exchange traded bond futures. If the futures decline in value this has a positive performance impact on the fund. However if the futures increase in value, this has a negative performance impact on the fund. The Fund is not limited in using exchange traded bond futures to implement its short selling strategies and may use derivatives which are not exchange-traded.

Hypothetical short selling example

A fund manager may have been tracking a mining company, Company A and believes that due to slowing global demand, raw materials prices will soften. The fund manager therefore believes that Company A's share price is also likely to fall.

To act on this belief the fund manager decides that they want to short sell Company A's shares in September that year, when they are valued at $20.00 per share. However, the fund does not hold any of Company A's shares. The fund therefore borrows 10,000 Company A shares from a stock lender (such as an investment bank or a broker), who lends the fund the Company A shares for a fee (in the same way banks charge borrowers). The fund then sells the Company A shares and deposits the sale proceeds, $200,000, into an interest earning bank account. The fund buys back the 10,000 shares of Company A in December that year, when they are valued at $15.00 per share, at a cost of $150,000. The Company A shares are returned to the stock lender.

The fund profits from the difference between the price at which they sold and brought back the Company A shares, being $50,000 ($200,000 minus $150,000). The fund also benefits from any interest earned on the $200,000 while it was on deposit in the bank account. The fund will, however, have to pay the stock lender's fee, as well as any dividends paid on Company A's shares during the period in which the fund was short the Company A shares. There may be other costs of maintaining a short position, for example franking benefits payable.

If on the other hand the outlook for Company A improves the share price of Company A may continue to increase, resulting in a loss for the fund. In December that year the share price of Company A rises to $25.00 and the fund manager believes this will continue. The fund therefore buys back the 10,000 shares at a cost of $250,000. This results in a loss of $50,000 ($200,000 minus $250,000) for the fund.

Refer to section 3.7 of this PDS titled "Leverage" for further information on the use of leverage by the Strategy Funds and section 4 of this PDS titled "Fund risks" for further information on the risks associated with the Fund's investment strategy (including short selling and leverage risk) and the BlackRock Group's risk management framework.

Additional information has been incorporated by reference

Further information on the investment strategies of some Strategy Funds, including their use of short selling, has been incorporated by reference. Refer to the **BlackRock Multi Opportunity Absolute Return Fund – Strategy Funds** document for further details, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-multi-opportunity-absolute-return-fund-strategy-funds-en-au.pdf. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product.

3.3 Key dependencies underlying the Fund's investment strategy

The success of the Fund, Wholesale Fund and Strategy Funds is dependent upon a number of factors which may include, but is not limited to:

Regulatory environment. Legislators and regulators have implemented and continue to consider regulatory reforms and other measures to stabilise markets and encourage growth in global financial markets. Adverse or volatile market conditions, or further regulatory reforms and other measures which limit investment activities and investment opportunities or change the functioning of capital markets, could have a material adverse effect on performance.

Ability to identify and exploit perceived pricing inefficiencies. The identification and exploitation of pricing inefficiencies in the pricing of securities, financial products, or markets involves uncertainty. There can be no assurance that the investment manager of a Strategy Fund will be able to locate investment opportunities or be able to exploit pricing inefficiencies in the securities markets. A reduction in the pricing inefficiency of the markets in which an investment manager seeks to invest will reduce the scope for a Strategy Fund's investment strategies. In the event that the perceived mispricings underlying a Strategy Fund's positions were to fail to converge toward, or were to diverge further from, relationships expected by the Strategy Fund's investment manager, the Strategy Fund may incur losses.

Limits of risk mitigation. While the Fund, Wholesale Fund and Strategy Funds benefit from the BlackRock Group's global expertise and risk management practices, it is not always possible to eliminate all applicable risks. An exposure to certain risks could cause underperformance.

Refer to section 4 of this PDS titled "Fund risks" for further information.

3.4 Changes to the Fund's investment strategy

The BlackRock Group undertakes continuous research and development of the investment strategies of the Fund, Wholesale Fund and Strategy Funds, which may result in changes to the way the funds are run. Investors will be notified of any such changes in accordance with our obligations under the Corporations Act.

3.5 What does the Fund invest in?

Provided on the following page is a diagram showing the key entities involved in the Fund's investment structure and the flow of investment money through the structure. The diagram is indicative only and we will notify you of any changes to the underlying investment structure in accordance with our obligations under the Corporations Act.

The Fund invests substantially all of its assets in the Wholesale Fund. The Wholesale Fund provides the Fund with exposure to its investment strategy.

The Wholesale Fund gains access to the BlackRock Group's global investment capabilities by investing substantially all of its assets in a diversified range of absolute return strategies, as provided by the Strategy Funds. The Wholesale Fund may also hold certain derivatives for currency hedging purposes.

The selection of an investment for the Wholesale Fund is the result of a comprehensive due diligence process to ensure that the investment is in line with fiduciary duties and in compliance with related party policies. The Wholesale Fund may be a seed, lead or only investor in a Strategy Fund.

Strategy Funds invest in long and short positions across a broad range of global markets including but not limited to equities, fixed income, currency, commodity, credit and money markets in both developed and emerging markets. A list of the Strategy Funds can be provided free of charge by contacting Client Services (refer to page 2 of this PDS for contact details).

Each fund within the investment structure may also hold cash (or cash equivalents, including other BlackRock Group funds) for cash flow management purposes or as collateral for derivative/short positions.

Diversification guidelines and asset allocation

The Fund is managed to be fully exposed to the Wholesale Fund.

Strategy Fund due diligence, selection and decisions regarding capital allocation to a Strategy Fund are taken at the Wholesale Fund level, as are currency management decisions. While the Wholesale Fund does not have formal diversification guidelines or specific allocation ranges or limits and can invest in the Strategy Funds in any proportion as BlackRock deems appropriate, continuous monitoring and oversight of asset allocations is undertaken as part of BlackRock's management of the Wholesale Fund's investment strategy.

Location and currency denomination of Fund assets

The Fund and Wholesale Fund are Australian registered managed investment schemes, the units of which are denominated in Australian Dollars. The Wholesale Fund invests in the Strategy Funds, which are generally domiciled in Australia, the Cayman Islands or Ireland and are generally denominated in U.S. or Australian dollars. The Wholesale Fund may hedge its currency exposure back to Australian dollars.

The Fund, Wholesale Fund and Strategy Funds do not seek to restrict the underlying fund(s) into which they invest with regard to the permitted geographic location of any such underlying fund, its manager, or the focus of its investing. These considerations are taken into account as part of the due diligence review of an underlying fund and as part of the oversight and management of each fund in the investment structure.

Refer to section 4 of this PDS titled "Fund risks" for further information on the risks associated with the Fund's investment structure (including risks associated with holding assets overseas and holding units in the Strategy Funds).

Additional information has been incorporated by reference

Further information on the asset exposures, diversification guidelines and asset allocations and location and currency denomination of assets of the Strategy Funds has been incorporated by reference. Refer to the **BlackRock Multi Opportunity Absolute Return Fund – Strategy Funds** document for further details, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-multi-opportunity-absolute-return-fund-strategy-funds-en-au.pdf. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product.

Key service providers

Administrator and Transfer Agent
JP Morgan Chase Bank, N.A. (Sydney Branch)

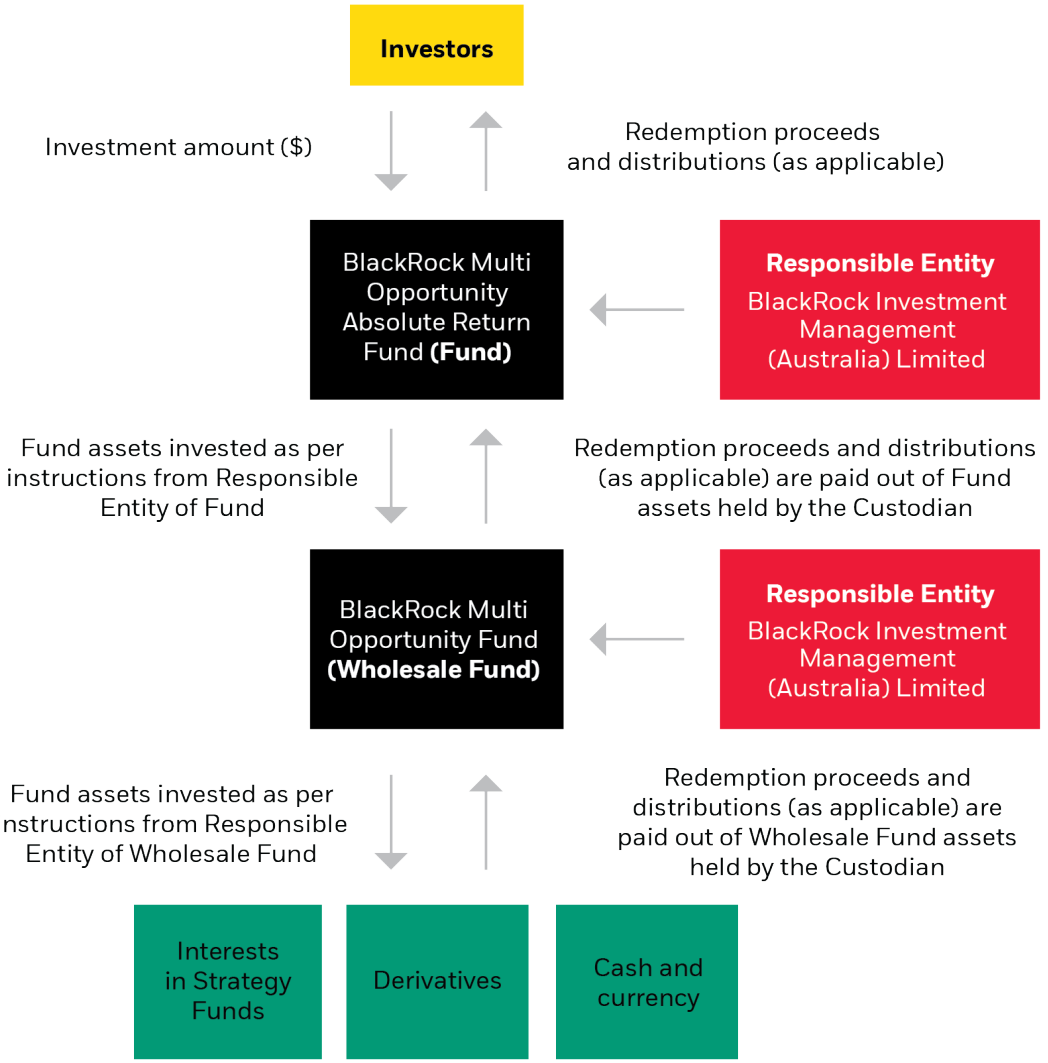
Appointed by the Responsible Entity to provide administration and transfer agency services to the Fund and Wholesale Fund

Custodian
JP Morgan Chase Bank, N.A. (Sydney Branch)

Appointed by the Responsible Entity to provide custodial services in relation to Fund and Wholesale Fund assets

Auditor
Deloitte Touche Tohmatsu

Appointed by the Responsible Entity to audit Fund and Wholesale Fund financial statements and compliance plans



Strategies determined by the Wholesale Fund Responsible Entity

3.6 Use of derivatives

Derivatives are financial instruments whose value is derived from another security, commodity, currency, or index. The use of these instruments can reduce the costs of managing exposure to investment markets and makes possible a wider universe of investment opportunities.

While the Fund does not hold derivatives directly, the Wholesale Fund and many of the Strategy Funds may use derivatives, both exchange traded and over the counter (**OTC**) and in most instances derivative use may be extensive. Derivatives may be used for, but not limited to, the following reasons:

- hedge an asset of the fund against, or minimise liability from, a fluctuation in market values;
- reduce volatility;
- achieve a targeted exposure to a particular underlying asset and adjusting asset exposures such as swapping one asset exposure with another;
- reduce the transaction cost of achieving a targeted exposure;
- obtain prices that may not be available in the physical market;
- achieve transactional efficiency; for example by assisting in the achievement of the best execution of security transactions;
- control the impact on portfolio valuations of market movements caused by significant transactions; and
- achieve a desired level of leverage (where applicable).

The Wholesale Fund may use financial derivatives including but not limited to futures, warrants, options, indexed securities, swaps and forward contracts.

The Fund, Wholesale Fund and Strategy Funds do not specify any particular approved types of derivatives to be used by underlying fund(s) into which they invest or set any limits on derivative exposure. Derivative exposure is controlled at each level of the investment structure, through the oversight and management of each fund's investment strategy.

Derivative counterparty oversight

In accordance with standard industry practice when purchasing derivative instruments a fund may be required to secure its obligations to a counterparty. This may involve the placing of margin deposits or equivalent with the counterparty which may or may not be segregated from the counterparty's own assets. A fund may have a right to the return of equivalent assets. These deposits or equivalent may exceed the value of the fund's obligations to the counterparty as the counterparty may require excess margin or collateral.

All counterparties of the BlackRock Group are formally approved by the BlackRock Group's Counterparty and Concentration Risk Group, prior to a fund engaging in any transaction with a particular counterparty. No transaction may be entered into with a counterparty that has not previously been approved.

The BlackRock Group prefers to have multiple counterparties, including principal protection providers, for liquidity, risk management and best execution purposes. The counterparties with which the BlackRock Group trade must have broad market coverage. Positions are marked-to-market on a regular basis and exposure to each counterparty is monitored. Transaction documentation is implemented where appropriate to minimise exposure to individual counterparties. To monitor post-trade counterparty risk, the BlackRock Group has implemented strong technological infrastructure and proprietary internal review processes. The BlackRock Group also has a number of reporting tools that allow it to manage counterparty exposure, balancing net exposures to its different counterparties. Where necessary, credit risk exposure to counterparties can be adjusted, both at the individual portfolio level and at the aggregate firm-wide level.

Further details of how the BlackRock Group approves derivative counterparties and manages counterparty risk is available upon request to Client Services (refer to page 2 of this PDS for contact details).

Refer to section 4 of this PDS titled "Fund risks" for further information on risks associated with derivative use and counterparty risks.

Additional information has been incorporated by reference
Further information on the use of derivatives by the Strategy Funds has been incorporated by reference. Refer to the **BlackRock Multi Opportunity Absolute Return Fund – Strategy Funds** document for further details, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-multi-opportunity-absolute-return-fund-strategy-funds-en-au.pdf. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product

3.7 Use of leverage

The Fund does not enter into borrowing arrangements for investment purposes, other than temporary overdrafts which may be used as a means of managing certain cash flows. The Fund will, however, gain leveraged exposure through its investment in the Wholesale Fund, which itself if leveraged as a result of its investment in the Strategy Funds, which may utilise leverage in their investment strategy. Leverage may be used by the Strategy Funds to increase buying power or to take advantage of market opportunities, where consistent with the investment strategy of the fund.

As at the date of this PDS, while there is no explicit maximum level of gross leverage that the Fund and Wholesale Fund may be exposed, the gross level of leverage is expected to range between approximately 8 to 20 times NAV.

The leverage of the Fund and Wholesale may fluctuate from time to time depending on changes to the embedded leverage to which the funds are exposed as a result of their exposure to the Strategy Funds. Such embedded leverage may change due to variations in the investment activity and security exposures of a Strategy Fund. For example, greater investment by a Strategy Fund in shorter dated, lower volatility, fixed income securities may require the Strategy Fund to increase its leverage exposure in order to achieve its stated investment objectives. Conversely, greater investment by a Strategy Fund in higher volatility securities, like equities or commodities, may require that Strategy Fund to reduce its leverage exposure in order to achieve its stated investment objectives. In addition, some Strategy Funds may seek absolute returns from relative value decisions between markets ("this market will do better than that market"), as well as from directional views on markets ("this market is going to go up or down"). The extent of leverage is likely to depend on the degree of correlation between positions. The higher the degree of correlation, the greater is the likelihood and probable extent of leverage.

Where the Fund and Wholesale Fund is exposed to leverage through their exposure to a Strategy Fund, any potential loss is generally limited to the capital allocated to that Strategy Fund.

The Strategy Funds may obtain leverage from brokers, banks and other counterparties. Counterparties are generally selected from a list of global systemically important financial institutions and other creditworthy entities. Where permitted, leverage may be achieved through, among other methods, borrowing, purchasing financial instruments on margin and investing in derivative instruments that are inherently leveraged.

The Fund, Wholesale Fund and Strategy Funds do not specify any particular acceptable types of leverage to be used by the underlying fund(s) into which they invest or set any limits in terms of the gross level of leverage used. Leverage exposure is controlled at each level of the investment structure, through the oversight and management of each fund's investment strategy.

When a Strategy Funds enters into a leverage arrangement (for example where a Strategy Fund enters into an OTC derivative transaction) or where a Strategy Fund has engaged a prime broker, fund assets may be used as collateral or as a security interest, which may be otherwise encumbered or subject to set-off rights in the event of insolvency (or other events of default). In such circumstances, amounts owing may be set off between the parties and the non-insolvent/non-defaulting party may rank as an unsecured creditor in respect of amounts owing by the insolvent/defaulting party.

Refer to section 3.6 of this PDS titled "Use of derivatives" for further information on how the BlackRock Group manages counterparty risk and to section 4 of this PDS titled "Fund risks" for further information on risks associated with the use of leverage.

Leverage example

Trading within the Strategy Funds is mainly relative in nature which involves taking long and short positions in asset markets. Relative value trading involves holding a long position in a particular stock or security and hedging this position by holding a short position in another stock or security. Investment gains can be made where the long position rises in value more than the short position. Gains can also be made where both assets decline in value so long as the long position declines less than the short position i.e. so long as the relative return of the long position is greater than that of the short position. However, the use of leverage resulting from taking long/short positions can also generate losses.

Provided below is an example of how leverage applied to relative value trades can affect fund performance. The leverage example has been simplified for illustrative purposes and does not take into account all the costs and fees associated with short selling.

Example 1: No leverage, portfolio holds Stock A (long).

	Stock A appreciates 5%	Stock A depreciates 5%
Value of stock position before appreciation/depreciation		
Stock A (long)	$1,000	$1,000
Value of stock position after appreciation/depreciation		
Stock A (long)	$1,050	$950
Gain /Loss	**$50**	**-$50**

The above example illustrates that a long only portfolio has just one source of positive returns. Positive returns will be experienced only where a stock increases in value. Negative returns will be experienced where a stock decreases in value.

Example 2: Portfolio engages in relative value trading and holds Stock A (long) relative to Stock B (short). Gross leverage 20 times. Strategy is performing as expected.

	Stock A appreciates 7%, while Stock B appreciates 2%	Stock A depreciates 2%, while Stock B depreciates 7%
Value of stock position before appreciation/depreciation		
Stock A (long)	$10,000	$10,000
Stock B (short)	-$10,000	-$10,000
Value of stock position after appreciation/depreciation		
Stock A (long)	$10,700	$9,800
Stock B (short)	-$10,200	-$9,300
Gain/(loss)	**$500**	**$500**

The above example illustrates that a portfolio utilising relative value trading has two sources of positive returns and may experience positive returns where the value of stocks rise and fall. Positive returns will be experienced where:

1. Stock A held long increases in value by a greater amount than that of Stock B held short; or
2. Stock A held long decreases in value by a lesser amount than that of Stock B held short.

Example 3: Portfolio engages in relative value trading and holds Stock A (long) relative to Stock B (short). Gross leverage 20 times. Strategy is not performing as expected.

	Stock A appreciates 2%, while Stock B appreciates 7%	Stock A depreciates 7%, while Stock B depreciates 2%
Value of stock position before appreciation/depreciation		
Stock A (long)	$10,000	$10,000
Stock B (short)	-$10,000	-$10,000
Value of stock position after appreciation/depreciation		
Stock A (long)	$10,200	$9,300
Stock B (short)	-$10,700	-$9,800
Gain/(loss)	**-$500**	**-$500**

The above example illustrates, however, that a portfolio utilising relative value trading may also experience negative returns. Negative returns will be experienced where:

1. Stock A held long increases in value by a lesser amount than that of Stock B held short; or
2. Stock A held long decreases in value by a greater amount than that of Stock B held short.

Additional information has been incorporated by reference
Further information on the maximum and anticipated level of gross leverage of the Strategy Funds and details of appointed prime brokers has been incorporated by reference. Refer to the **BlackRock Multi Opportunity Absolute Return Fund – Strategy Funds** document for further details, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-multi-opportunity-absolute-return-fund-strategy-funds-en-au.pdf. You should read this important information before making a decision.an investment decision. This material may change between the time when you read this PDS and when you acquire the product

3.8 Liquidity

As at the date of this PDS, the Fund invests substantially all of assets in the Wholesale Fund, which in turn invests in the Strategy Funds. The Fund, Wholesale Fund and a number of the Strategy Funds are monthly valued funds, meaning the generally only accept investor transaction requests once a month. BlackRock will therefore be

unable to realise at least 80% of the assets of the Fund or the Wholesale Fund within 10 days. Blackrock does, however, expect that under normal market conditions and as at each monthly investor transaction date to be able to realise at least 80% of the assets of the Fund and Wholesale Fund, should the need arise, at the value ascribed to those assets in calculating each fund's monthly NAV.

BlackRock aims to manage the liquidity position of the Fund and Wholesale Fund very conservatively, taking into account investors requirements for liquidity and cash needed for the operation of the Fund and Wholesale Fund. BlackRock continuously manages fund liquidity to facilitate monthly unit holder transactions.

The Fund, Wholesale Fund and Strategy Funds do not set any specific restrictions in terms of the liquidity of the underlying fund(s) into which they invest. The liquidity characteristics of portfolio holdings is considered as part of the due diligence review of an underlying fund and as part of the oversight and management of the each fund in the investment structure.

The BlackRock Group's risk management practices include the regular monitoring of the liquidity characteristics of BlackRock Group funds and the assets in which they invest, to seek to ensure funds remain within permitted investment parameters.

Refer to section 4 of this PDS titled "Fund risks" for further information on liquidity risk and how this risk will be managed.

Additional information has been incorporated by reference
Further information on the liquidity of the Strategy Funds has been incorporated by reference. Refer to the **BlackRock Multi Opportunity Absolute Return Fund – Strategy Funds** document for further details, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-multi-opportunity-absolute-return-fund-strategy-funds-en-au.pdf. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product.

3.9 What are the significant benefits of investing in the Fund?

The benefits of investing in the Fund include:

- **Capturing new opportunities:** the Fund draws upon BlackRock's extensive global investment teams, which look to continuously develop new and innovative insights with the aim of delivering performance in evolving markets.
- **Enhanced portfolio diversification:** the Fund seeks to have a low correlation to equity returns, interest rate moves and other market return sources, making it a complementary addition to a diversified portfolio of market exposures and other return sources.
- **Transparency, risk & liquidity:** unlike other multi-strategy products, the Strategy Funds have all appointed a member of the BlackRock Group as their manager/investment manager, leading to superior transparency and a greater understanding of investment risk. The Fund also offers investors monthly liquidity terms and no early termination fees that other funds of this nature may impose.

Additional information has been incorporated by reference
Further information on the general benefits of managed investment schemes has been incorporated by reference, including but not limited to, details of information and reports you will receive from us, labour standards, environmental, social or ethical considerations and proxy voting and our legal and compliance requirements. Refer to section 1 of the **BlackRock Additional Fund Information No. 2** document for further details, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-additional-fund-information-no2-en-au.pdf. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product.

4. Fund risks

4.1 What are the risks of investing?

Before you make an investment decision it is important to identify your investment objectives and the level of risk that you are prepared to accept. This may be influenced by:

- the timeframe over which you are expecting a return on your investment and your need for regular income versus long-term capital growth;
- your level of comfort with volatility in returns; or
- the general and specific risks associated with investing in particular funds.

4.2 General risks

All investments have an inherent level of risk. Generally there is a trade-off between higher expected returns for higher expected risk – represented by the variability of fund returns.

The value of your investment will fluctuate with the value of the underlying investments in the Fund. Investment risk may also result in loss of income or capital invested and possible delays in repayment. You could receive back less than you initially invested and there is no guarantee that you will receive any income.

4.3 Specific risks of this Fund?

The specific risks for the Fund (and the Wholesale Fund and Strategy Funds) may include:

Derivative risk. The Fund may be exposed to derivative securities. The use of derivatives expose a fund to different risks as opposed to investing directly in a security. For example, derivatives can cause a fund to make greater gains or incur greater losses than the gains and losses of the underlying security in relation to which the derivative derives its value.

Additionally, uncleared OTC derivative markets may not require payment of margin. To the extent that the Fund has unrealised gains in such instruments or has deposited collateral with its counterparty, the Fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations.

Equity security risk. Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. Dividend payments from shares may also vary over time.

Fixed income security risk. Risks associated with an investment in fixed income securities can result in significant variability in investment returns and a loss of income or capital value. These risks include:

- **Credit risk.** The value of a fund investing in fixed income securities is affected by the perceived or actual credit worthiness of the issuer of the security. A perceived or actual deterioration of credit quality (e.g. an issuer credit downgrade or credit event leading to a revised premium attributable to investment due to credit worthiness downgrade) of a fixed income security will adversely impact the value of such investment.
- **Interest rate risk.** An increase in interest rates will cause the values of fixed income securities, in particular fixed rate securities, to decline, which will in turn impact the returns of a fund investing in such securities. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.
- **Income risk.** A fund investing in fixed income securities may experience a decline in income where market interest rates are falling. This can result when a fund reinvests in securities at a lower yield than the current fund portfolio yield.
- **Issuer risk.** Corporate issuers of fixed income securities may willingly or unwillingly default on their obligation to make interest or principal payments. Similarly, sovereign issuers (i.e. governments of a country or an agency backed by a government) may refuse to comply with their obligations during economically difficult or politically volatile times. Such events may cause a downgrade in the credit rating of an issuer and/or its fixed income security, which in turn may cause the value of the fixed income security to fall. There is also no assurance that an issuer of fixed income securities will continue to issue the fixed income securities or keep that particular fixed income securities market open.
- **Spread risk.** The prevailing rates of compensation for creditworthiness of issuers of instruments (spread) is affected by market factors including sentiment, supply and demand and general economic conditions. A change in these factors, which impact spread, can negatively impact the yield earned by a fund investing in credit instruments.

Foreign investment risk. The Fund may be exposed to securities or derivative instruments issued in foreign markets and as such faces risks associated with:

- differences between countries in relation to accounting, financial reporting, legal, regulatory, pricing, liquidity and settlement and clearance procedures;
- currency risk, the risk that foreign currencies change in value relative to the Australian dollar, which may affect the Fund's investment returns. While passive currency management may be undertaken, it may not be possible to perfectly match performance of the hedging in a Fund relative to that of its Index. In addition, the impact of currency hedging on the Fund's return is uncertain, cannot be guaranteed and can result in capital losses; and
- the countries to which the Fund is exposed may be subject to considerable degrees of economic, political and social instability, which may reduce or preclude the ability to trade security exposures or negatively affect a security's value.

Leverage risk. The Fund may be exposed to investment strategies that use leverage. The exposure of a leveraged portfolio to movements in the instruments and markets in which it invests can be greater than the value of the assets within the portfolio. Therefore, if a leveraged portfolio generates a positive return, the returns will be greater than the returns generated by an equivalent unleveraged portfolio. Similarly, if the investments generate a negative return, the losses will be greater than the losses generated by an equivalent unleveraged portfolio.

Liquidity risk. A fund may be exposed to securities with limited liquidity, which are in practice infrequently traded or for which typical daily volumes traded are small. It may not be possible to sell such securities when it is desirable to do so or to realise what the manager perceives to be their fair value in the event of a sale. The general level of market liquidity also varies and may deteriorate. Such a deterioration may negatively impact the ability to trade fund securities and may negatively affect the price at which a trade is executed. These circumstances could impair a fund's ability to make distributions to a redeeming unit holder in a timely manner and a fund may need to consider suspending redemptions. The BlackRock Group aims to reduce these risks by understanding the liquidity characteristics of securities a fund is exposed to and plans

trading so as to minimise the adverse consequences of low liquidity.

Master feeder structural risk. The Fund may be exposed to underlying funds that have been established as a master feeder investment structure, in which the feeder fund will invest all of its investible assets in a master fund. The "master-feeder" fund structure, in particular the existence of multiple feeder funds investing in the master fund, presents certain risks to investors of the feeder fund. Smaller feeder funds may be materially affected by the actions of larger feeder funds. While the investment manager of the master fund, generally will not consider tax issues applicable to any particular investor, it generally will take into account the tax positions of the other feeder funds that invest in the master fund. However, the use of a "master-feeder" structure may create a conflict of interest in that different tax considerations for each feeder fund may cause or result in the master fund structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax purposes to one feeder fund or its investors.

Monthly opening risk. An investment in the Fund provides limited liquidity since the units are not freely transferable and generally a unit holder has the right to redeem any or all of its units no more frequently than monthly and after satisfying the applicable notice periods. An investment in the Fund is suitable only for investors who do not require immediate liquidity from their investment.

New fund/investment strategy risk. The Fund may be exposed to new funds/investment strategies, which have little or no operating history upon which investors can evaluate the anticipated performance of the investment. Any performance information will therefore be short term in nature. Performance returns over the short term may not be indicative of long-term performance.

Reduced regulatory oversight. The Fund may be exposed to other funds domiciled in jurisdictions other than Australia. The laws in such jurisdictions may differ from those in Australia and therefore may not necessarily provide the same level of protection to shareholders as schemes registered in Australia and subject to Australian regulations and conditions. Such differences in regulation could also impact the regulatory obligations of an investment vehicle's key service providers, including, but not limited to, its custodian, administrator and auditor.

Short-selling risk. The Fund may be exposed to investment strategies that engage in short selling. Short selling allows the holder of a short position to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of covering the short position. Further, covering a short position may include activities which increase the price of the security (or the reference security if in a derivative contract) thereby exacerbating any loss.

As part of a short sale transaction, the investor establishing the short position (**Borrower**) will borrow securities from a securities lender (**Lender**). The Borrower is required to transfer collateral, usually in the form of cash or securities (Collateral) to the Lender. The Collateral transferred to the Lender is not required to be segregated from the Lender's other assets and may be dealt with, lent, disposed of, pledged or otherwise used by the Lender for its own purposes. In the event of the insolvency of the Lender, the Borrower will rank as an unsecured creditor of the Lender in relation to any Collateral transferred to the Lender and the Borrower may not be able to recover amounts due to it in respect of such Collateral in full. This means that the Borrower has exposure to counterparty risk with the Lender of any short sale transaction to which it is exposed.

The BlackRock Group seeks to manage the risks associated with short selling through its portfolio construction processes. Short positions are periodically rebalanced, so as to reduce the risk of substantial changes in the price of the short security and exposure limits may be imposed with regards to single stock positions, in order to mitigate potential losses.

When a short position is established through a derivative contract, the position may give rise to the risks detailed under "Derivative risk".

Speculative investment strategy risk. A number of the investment strategies to which the Fund may be exposed are speculative and entail substantial risks. Since market risks are inherent in all securities investments to varying degrees, there can be no assurance that the investment strategies will be successful. In fact, certain securities, financial instruments and investment practices described in this document can, in some circumstances, increase the potential adverse impact on investment returns.

Underlying fund risk. The Fund implements its investment strategy through an investment in an underlying fund. The Fund and its underlying fund are managed as separate entities, with separate investment objectives and investment strategies. No guarantee can be given that the underlying fund will meet its investment objective, continue to be managed according to its current investment strategy or be open to investments in the future. Changes to the underlying fund may be made without unitholder approval. Should an underlying fund change its investment objective or investment strategy, we will review such changes with consideration to the investment objective and strategy of the applicable Fund. Further, if the underlying fund were to be suspended, closed or terminated for any reason, the Fund investing into it would be exposed to those changes.

4.4 General risks of investing in the Fund

Other risk more generally associated with investing in a fund include:

Conflicts of interest risk. Certain conflicts of interest may arise in the operation of a BlackRock Group fund. Fund structures may involve members of the BlackRock Group acting in more than one capacity (including as counterparties). BlackRock Group funds may be invested in by persons associated with BlackRock Group or by other funds and accounts also managed by the BlackRock Group. Certain investment strategies of the BlackRock Group may conflict with each other and may affect the price and availability of securities in which to invest. Members of the BlackRock Group may also give advice or take action with respect to any of their clients, which may differ from the advice given or the timing or nature of any action taken with respect to the investments of other BlackRock Group funds or accounts.

BlackRock has established policies and procedures to identify and manage conflicts of interest inherent to BlackRock's business.

Counterparty risk. Funds 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 or transaction will fail to discharge an obligation or commitment that it has entered into. While the BlackRock Group uses reasonable efforts to mitigate such risks, there can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the relevant fund.

Fund risk. The price of units in a fund and the income from them may go down as well as up. Investors may not get back their original

investment. There can be no assurance that a fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. Capital return and income of a fund is based on the capital appreciation and income of the securities invested in, less expenses incurred. Fund returns may fluctuate in response to changes in such capital appreciation or income. The payment of distributions is at the discretion of the fund issuer, taking into account various factors and its own distribution policy. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. There can be no assurance that the distribution yield of a fund is the same as that of its Index due to factors such as expenses incurred by the fund. Past performance is not indicative of future performance.

Issuer risk. The performance of a fund depends on the performance of individual securities to which the fund has exposure. Any issuer of these securities may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, expiration of patent protection, disruptions in supply, labour problems or shortages, corporate restructurings, fraudulent disclosures or other factors. Issuers may, in times of distress or at their own discretion, decide to reduce or eliminate dividends, which may also cause securities prices to decline.

Market risk. Market risk is the risk that one or more markets in which a fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. The value of a security or other asset may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer or issuers, exchange, country, group of countries, region, market, industry, group of industries, sector or asset class. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on a fund and its investments.

Operational risk. The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third party failures or crisis events. The BlackRock Group has procedures in place to manage these risks and, as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

Regulatory and business risk. Changes in corporate, taxation or other relevant laws, regulations or rules may adversely affect your investment. For example, such changes may adversely affect a fund's ability to execute certain investment strategies, which could have a material effect on performance. The laws affecting registered managed investment schemes may also change in the future.

Tax risk. Investing in a fund may result in a different tax outcome than investing in securities directly. The application of tax laws and certain events occurring within a fund may result in you receiving some of your investment back as income in the form of a distribution. A fund will generally not be managed with consideration of the individual circumstances, including specific tax considerations, applicable to any single unitholder in that fund.

4.5 Risk management

BlackRock's risk management framework is facilitated through its governance structure, organizational design and philosophy. This framework is executed through adherence to a strong internal control structure, primarily encompassing a single technology platform, straight-through-processing operations, a strong compliance environment, and documented and tested policies and procedures. These policies and procedures have been designed to help ensure that the effectiveness of internal controls is maximized.

Risk management is core to BlackRock's culture

- BlackRock was founded on the premise of employees across the organization having a risk-aware mindset.

Risk oversight is independent from BlackRock's risk takers

- BlackRock employs a three-lines of defense approach, whereby risk takers are primary risk owners, risk managers provide independent oversight and internal audit assesses the adequacy and effectiveness of controls.

Robust risk analytics leveraging Aladdin technology

- Aladdin is the proprietary platform used for risk management processes and enables informed decision making.

5. Management of the Fund

5.1 About the investment manager

BlackRock is the responsible entity and investment manager for the Fund and Wholesale Fund. BlackRock is licensed by ASIC, which is responsible for regulating the operation of managed investment schemes like the Fund. Each Strategy Fund is managed by and/or have appointed as their investment manager a member of the BlackRock Group.

The implementation of the investment strategies detailed in this PDS, including those of the Strategy Funds, are considered institutional BlackRock Group capabilities, meaning they do not rely on the involvement of any particular individual.

The responsibilities and obligations of an investment manager are generally governed by a fund's constitution, articles of association, trust deed, or other equivalent governing document, terms of the investment management arrangement to which the investment manager and fund may be party to and any applicable laws or regulations.

The Fund's constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both you and us. A copy of the Fund's constitution is available free of charge from us by contacting Client Services (refer to page 2 of this PDS for contact details).

Some of the main provisions which relate to your rights under the constitution of the Fund include:

- your right to share in the Fund income and how we calculate it;
- your right to withdraw from the Fund and what you are entitled to receive when you withdraw or if the Fund is wound up;
- the nature of the units; and your rights to attend and vote at a meeting of unit holders – these mainly reflect the requirements of the Corporations Act, which also deals with unit holders rights to requisition or call a meeting;
- resolutions passed by a requisite majority at a meeting of unit holders are binding on all unit holders;
- when we can and what happens if we terminate the Fund;
- when we can amend the Fund's constitution. Generally, we can only amend a constitution where we reasonably believe that the changes will not adversely affect your rights as an investor. Otherwise, the constitution can only be amended if approved by special resolution at a meeting of unit holders;
- our right to refuse to accept applications for units or record any transfer of units without giving any reason;
- our right to cancel units issued to a unit holder if cleared funds are not received by the Fund; and
- our broad powers to invest, borrow and generally manage the Fund. We do not currently intend to borrow funds to acquire assets for the Fund, although this is permitted under the Fund's constitution. We may only borrow if we consider it to be in the best interests of unit holders.

The constitution of the Fund provides that the liability of each unit holder is generally limited to its investment in the Fund. A unit holder is not required to indemnify us or our creditors in respect of the Fund. However, no complete assurance can be given in this regard, as the ultimate liability of a unit holder has not been finally determined by the courts.

The constitutions of Strategy Funds managed by BlackRock generally contain similar provisions to those outlined above. The trust deed (or equivalent governing document) of Strategy Funds not managed by BlackRock (but who have appointed as their investment manager a member of the BlackRock Group) may include provisions in relation to matters similar to those constitutional provisions already outlined.

All Strategy Funds have appointed a member of the BlackRock Group as their investment manager pursuant to an investment management arrangement, to provide investment management services. Provisions within the investment management arrangements of any such Strategy Funds, which may affect you as a unit holder of the Fund, may include:

- the terms and scope of appointment of the investment manager (for example, in some instances, the investment manager will be appointed for an initial term and then for subsequent annual terms, subject to their appointment being terminated);
- any restrictions placed on the investment manager in terms of the permitted investments for the fund;
- the investment manager's entitlement to receive a management fee, any performance fee and other amounts payable out of the assets of the fund;
- the liability of the investment manager (for example, in circumstances where the investment manager acts with negligence, wilful misconduct or bad faith);
- the liability of the investment manager for acts of third parties such as banks, brokers or agents; and
- the provision of indemnities, for example, in circumstances where there is no negligence, wilful misconduct or bad faith on the part of the indemnified party;
- when the investment management arrangement may be terminated. While each investment management arrangement may include termination provisions (which are generally on normal commercial terms), as all appointed investment managers are BlackRock Group entities, it is not expected that any such termination provision will be materially relied upon by either the relevant Strategy Fund or its investment manager.

BlackRock uses a global service delivery model across the BlackRock Group to deliver superior outcomes to its clients. In the delivery of functions, powers and duties to clients, we use multiple entities of the BlackRock Group (in addition to the Responsible Entity). For example, global order routing entails the use of multiple trading desks located in various regions and the use of global centres of excellence allows certain related parties to specialise in functions such as investment operations and portfolio management. Even though we use offshore related parties, the Responsible Entity has systems and procedures in place as the holder of an Australian financial service licence to monitor and supervise the services provided by our related parties. The

Responsible Entity remains responsible and liable for the acts and omissions of any related party.

Additional information has been incorporated by reference
Further information on the appointed investment managers of the Strategy Funds has been incorporated by reference. Refer to the **BlackRock Multi Opportunity Absolute Return Fund – Strategy Funds** document for further details, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-multi-opportunity-absolute-return-fund-strategy-funds-en-au.pdf. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product.

5.2 Other key service providers

A number of key service providers have been engaged to assist with the ongoing operation and administration of the Fund, Wholesale Fund and Strategy Funds. A summary of key service providers of the Fund and Wholesale Fund is provided below.

The Fund, Wholesale Fund and each Strategy Fund have entered into separate arrangements with each of their key service providers, which generally set out the terms and conditions of the service provider's appointment, where applicable, specified benchmarks and service levels, as well as the consequences of any breaches to the terms of the appointment.

Before any key service provider is engaged by the BlackRock Group a due diligence exercise or assessment of the prospective key service provider is generally undertaken. Consideration and continuous monitoring of key service providers is also undertaken through day-to-day dealings with these entities.

Custodian: JP Morgan Chase Bank, N.A. (Sydney Branch)

A custodian provides custodial services to a fund and is responsible for the safekeeping of fund assets.

A custodian's role is generally limited to holding the assets of a fund and acting on behalf of the responsible entity or the fund's board of directors (as applicable) and acting in accordance with instructions from the responsible entity or the fund's board of directors (as applicable), except in limited circumstances where the custodian has a discretion to act without instructions.

A custodian has no supervisory obligation to ensure that the responsible entity or the fund's board of directors (as applicable) complies with its obligations as responsible entity or board (as applicable) of a fund. The responsible entity or fund board of directors (as applicable) will also remain liable to unit holders for acts and omissions of the appointed custodian.

The custodian may change from time to time but must satisfy any relevant regulatory requirements.

The Fund, Wholesale Fund and Strategy Funds do not generally request specific requirements in respect of the custodial arrangements of the underlying fund(s) into which they invest. Custodial arrangements are considered at each level of the investment structure, through the oversight and management of each fund.

Administrator: JP Morgan Chase Bank, N.A. (Sydney Branch)

An administrator provides administration services to a fund including valuation and unit pricing, registrar and transfer agent, fund accounting, distribution preparation and preparation of financial statements.

Auditor: Deloitte Touche Tohmatsu

A fund must have an appointed independent auditor of the financial statements and compliance plan.

Prime broker

While the Fund and Wholesale Fund has not appointed a prime broker, some of the Strategy Funds have.

The prime broker of a fund generally provides clearing, settlement, financing, stock borrowing, foreign exchange facilities and reporting services.

Changes to key service providers

The key service providers detailed in this PDS may change from time to time. Investors will be notified of any such changes in accordance with our obligations under the Corporations Act.

Additional information has been incorporated by reference
Further information on the key service providers of the Strategy Funds has been incorporated by reference. Refer to the **BlackRock Multi Opportunity Absolute Return Fund – Strategy Funds** document for further details, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-multi-opportunity-absolute-return-fund-strategy-funds-en-au.pdf. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product.

6. Fees and other costs

Consumer Advisory Warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

6.1 Fees and costs summary

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole.

Taxes is set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

BlackRock Multi Opportunity Absolute Return Fund		
Type of fee or cost	**Amount**	**How and when paid**
Ongoing annual fees and costs		
Management fees and costs The fees and costs for managing your investment[1]	1.55% p.a.	The management fee for the Fund is **1.25% p.a.** and is calculated in relation to the NAV of the Fund on a daily basis. This cost is deducted from the assets of the Fund and is generally paid to us monthly in arrears. Management fees and costs include indirect costs of **0.30%**. Indirect costs are a reasonable estimate of certain costs incurred within the Fund (or any underlying fund) that reduce returns. The deduction of managements fees and costs is reflected in the Fund's unit price.
Performance fees Amounts deducted from your investment in relation to the performance of the product	1.20% p.a. based on the average of the previous five financial years	The Fund charges a performance fee of 20% of any outperformance. The performance fee is charged on the dollar value added by the Fund over the Benchmark, subject to any previous high water mark. If payable, the performance fee is accrued in the Fund's unit price and is generally paid to us monthly in arrears from the assets of the Fund. The deduction of the performance fee is reflected in the Fund's unit price.
Transaction costs The costs incurred by the scheme when buying or selling assets	2.82% p.a.	Transaction costs which are incurred when a member invests or redeems from the Fund will generally be recovered through the buy-sell spread applied to the unit price. Transaction costs that are not recovered ('net transaction costs') reduce returns and are reflected in the Fund's unit price.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Nil	
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	*Buy* 0.05% *Sell* 0.05%	Estimated transaction costs are allocated when an investor buys or sells units in the Fund by applying a buy/sell spread on the Fund's entry and exit unit prices, where appropriate.

Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable.
Exit fee The fee to close your investment	Nil	
Switching fee The fee for changing investment options	Nil	

[1] Fees can be negotiated with certain "wholesale clients" (as defined by the Corporations Act) in compliance with legal requirements and any applicable ASIC class orders. See 'Differential fees" within the "Additional explanation of fees and costs" section for further information.

6.2 Example of annual fees and costs of the Fund

This table gives an example of how ongoing annual fees and costs in the Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example – BlackRock Multi Opportunity Absolute Return Fund		
BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING THE YEAR		
Contribution fees	Nil	For every additional $5,000 you put in, you will be charged $0.
PLUS		
Management fees and costs	1.55%	**And**, for every $50,000 you have in the BlackRock Multi Opportunity Absolute Return Fund you will be charged or have deducted from your investment **$775** each year
Performance fees	1.20%	**And**, you will be charged or have deducted from your investment **$600** in performance fees each year
Transaction costs	2.82%	**And**, you will be charged or have deducted from your investment **$1,410** in transaction costs
EQUALS		
Cost of BlackRock Multi Opportunity Absolute Return Fund	If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year you would be charged fees and costs of **$2,785**.[1] **What it costs you will depend on the fees you negotiate.**	

1. Additional fees may apply. A buy spread of 0.05%, equal to $2.50 on a $5,000 contribution, will also apply.

6.3 Additional explanation of fees and costs

Performance fee

The Fund charges a performance fee of 20% of outperformance. The average of the Fund's actual performance fee paid for the last five financial years (to 30 June 2025) is 1.20% p.a. Performance fees are calculated as a percentage of the dollar value added by the Fund over its Benchmark. Performance fees accrue daily in the Fund's unit price and will generally be paid to us monthly.

Performances fees are only paid when the cumulative dollar value added by the Fund over the Benchmark since the last time performance fees were paid to us is a positive amount. If the cumulative dollar value added over the Benchmark since the last time performance fees were paid to us is a negative amount, the performance fees already paid to us will not be refunded. In these circumstances, no performance fees are charged to the Fund until the cumulative dollar value added by the Fund over the Benchmark is again a positive amount.

The calculation of performance fees is dollar-weighted, which means that performance relative to the Benchmark is accrued on a cumulative dollar value basis and if the cumulative dollar value added is positive, an amount representing the performance fee payable is accrued daily in the Fund (the size of which can change due to applications and withdrawals), rather than against the amount invested by each unitholder (which may not change during the same period). This can result in different implied levels of performance fees for individual investors depending on the timing of their investment and the relative performance of the Fund over time.

Performance fee examples

The examples provided below show how the performance fee is calculated. These simplified examples are provided for illustrative purposes only and do not take into account the timing of cash flows, cumulative fund returns or the individual circumstances of an investor. The examples are provided for illustrative purposes only and do not represent any actual or prospective performance.

Scenario 1

Assume that the NAV for a fund was $50,000, the fund charges performance fees of 20% of the dollar value added by the fund over its benchmark and the fund's performance for the period was 1% above the benchmark. The accrued performance fee payable for the period would be $100 ($50,000 x 1% x 20%).

Scenario 2

On the other hand, assume that the NAV for a fund was $50,000, the fund charges performance fees of 20% of the dollar value added by the fund over its benchmark and the fund's performance for the period was 1% below the benchmark. The performance fee calculated for that period would be -$100 ($50,000 x -1% x 20%). As this is a negative amount no performance fee would be payable.

A performance fee would not be charged in subsequent periods until this cumulative negative value of -$100 had first been recovered by the fund. This is explained further in Scenario 3 below.

Scenario 3

In a period where a fund outperforms its benchmark after an earlier period of underperformance, the cumulative performance fee impact of the underperformance (in dollars) must be recovered by the fund before a performance fee can be charged again.

For example, as outlined in Scenario 2, if the fund had a NAV of $50,000, the fund charges performance fees of 20% of the dollar value added by the fund over its benchmark and the fund had underperformed the Benchmark by 1% since the last time a performance fee was charged, the cumulative performance fee impact is -$100. In the next performance fee period (assuming that the NAV of the fund remains unchanged at $50,000), if the fund outperforms the benchmark by 3%, the performance fee attributable to the dollar value added by the fund relative to the benchmark for that period would be $300 ($50,000 x 3% x 20%) and the performance fee payable would be $200 ($300-$100).

Alternatively, if inflows at the start of the same period caused the NAV of the fund to increase to $100,000 in the same period and the fund outperformed the benchmark by 3%, the performance fee attributable to the dollar value added relative to the benchmark for that same period would be $600 ($100,000 x 3% x 20%) and the performance fee payable would be $500 ($600-$100).

This example demonstrates that the calculation of the performance fee is based on the dollar weighted performance of the fund relative to its benchmark and not just the performance of the fund relative to its benchmark.

The exact amount of performance fees charged by the Fund is dependent on a number of factors, particularly the timing and relative value of periods of out-performance. Actual performance fees charged will vary, depending on the returns of a Fund and may be higher or lower than the estimated performance fees currently disclosed.

Generally, the greater the investment performance of the Fund, the greater the performance fee and therefore the greater the overall management fees and costs for the Fund.

Transaction costs

In managing the investments of the Fund, transaction costs such as brokerage, settlement costs, clearing costs and government charges may be incurred. Where these costs are incurred due to investor-initiated transactions, they may be recovered through the applicable buy-sell spread. The transaction costs shown in the Fees and Costs Summary are shown net of any amount recovered by the buy-sell spread charged BlackRock. Transaction costs are an additional cost to the investor where it has not already been recovered by the buy-sell spread

Transaction costs should not be considered in isolation of investment returns. It is important to understand that actively managed investments are likely to have higher transaction costs than passively managed investments, such as index funds, because of the higher expected volume of trading of the Fund's assets in generating investment returns.

Differential fees

Management fees may be negotiated with persons who qualify as wholesale investors within the meaning of section 761G of the Corporations Act, such as sophisticated and professional investors. For further information about differential fees, please contact Client Services (refer to page 2 of this PDS for contact details).

Can fees change?

All fees can change. They may vary over time as a result of changes to the product, changing economic conditions and changes in regulations. We will provide investors 30 days' notice of any proposed increase to our fees, except for changes in the Fund's buy-sell spread.

The current fees applicable to your investment are set out previously under section 6.1 of this PDS, titled "Fund fees overview" and although we have the power to change our fee structure without your consent, we have no present intention to do so.

Tax

Your investment may be subject to tax. Refer to the tax information set out in section 8 of this document. All fees are in Australian dollars and are inclusive of Goods and Services Tax (**GST**), any applicable stamp duty and takes into account expected reduced input tax credits in respect of the GST component of the fee.

Additional information has been incorporated by reference

Further information about the fees and costs applicable to the Fund has been incorporated by reference. Refer to section 2 of the **BlackRock Additional Fund Information No. 2** document for further details, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-additional-fund-information-no2-en-au.pdf. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product.

7. Investing in and redeeming from the Fund

7.1 How to invest

To make your initial investment, complete and send to us (either by post or facsimile) the Fund's Application Form that accompanies this PDS or is available from our website at www.blackrock.com/au or by calling Client Services (refer to page 2 of this PDS for contact details).

If you choose to send us your completed Fund Application Form by facsimile you will need to send us your original Fund Application Form for our records.

The Fund is a monthly valued Fund meaning you will normally be able to invest in the Fund on the last **Business Day**, being a day other than a Saturday or Sunday on which bank are open for general business in Sydney, of each month, with each such day being a **Trade Date**. We have absolute discretion to accept, reject, or limit any application request.

When investing in the Fund you generally need a minimum amount of $50,000 or such other amount as we may determine from time to time. There is no minimum amount for subsequent investments.

Investor transaction requests are required to be received by 3.00 pm (Sydney time) 15 Business Days before the Trade Date (**Transaction Cut-off Time**). Transaction requests received before this time will generally be executed as at the current month end Trade Date. Investor transaction requests received after this time will generally be held over to the month end Trade Date of the following month.

Your investment amount can either be:

- deposited into the application bank account**. If you choose to deposit your investment amount in the application bank account, you must provide us with verification from your financial institution that the money has been banked**; or
- transferred via BPAY®*.

Investment details are outlined in the Fund's Application Form.

* ® Registered to BPAY Pty Ltd ABN 69 079 137 518.

In order for us to be able to process your investment, you must ensure that BlackRock receives cleared money one Business Day before the relevant Trade Date (Funding Date).

This may mean that your investment amount may remain in the application bank account for more than 30 days. Where this happens you may elect to have your investment money returned to you by contacting Client Services.

In order for us to be able to process your investment you may also need to complete an Investor Identification Form (which follows the Fund Application Form) for the purpose of Anti-Money Laundering and Counter-Terrorism Financing legislation.

A list of the Fund's Trade Dates, applicable Transaction Cut-off Times and Funding Dates, is available at www.blackrock.com/au. Alternatively, you can obtain a copy of this information by contacting Client Services (refer to page 2 of this PDS for contact details). BlackRock may elect to alter the Transaction Cut-off Times and Funding Dates in certain situations.

7.2 How you receive income from your investment

If you hold units in the Fund at the close of business on the last day of a distribution period, you are entitled to participate in the distributable income of the Fund. Your entitlement to distributable income (if any) is based on how many units you held at the end of the distribution period as a proportion of the total number of units on issue in the Fund at that time. Any income you receive from your investments will be in the form of distributions. Your distribution may include interest, dividends, other income and realised gains. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected.

Distributions (if any) are generally determined at the end of June each year. Distributions (if any) are usually paid within 30 Business Days of the end of the distribution period.

7.3 Redeeming your investment

Redemption requests can be made in writing (either by post or facsimile). The Fund is a monthly valued Fund meaning, while the Fund is liquid, you will normally be able to redeem from the Fund on any month end Trade Date.

While there is no minimum redemption amount, we generally require a minimum balance in your Fund account of $50,000.

Investor transaction requests are required to be received prior to the Transaction Cut-off Time. Transaction requests received before this time will generally be executed as at the current month end Trade Date. Investor transaction requests received after this time will generally be held over to the month end Trade Date of the following month.

Following receipt of a redemption request, we will deposit redemption proceeds into your nominated Australian bank account, generally within 20 Business Days of the Trade Date, although we are allowed longer periods under the Fund's constitution. In certain circumstances and in accordance with the Fund's constitution, we can also stagger the payment of large redemption requests over more than one Trade Date, provided that all units are redeemed within 90 days of the receipt of the redemption request.

In some circumstances, such as when there is a freeze on withdrawals, investors may not be able to withdraw from the Fund within the usual period upon request.

Investors will be notified of any changes to their redemption rights in accordance with our obligations under the Corporations Act.

A list of the Fund's Trade Dates and applicable Transaction Cut-off Times is available at www.blackrock.com/au. Alternatively, you can obtain a copy of this information by contacting Client Services (refer to page 2 of this PDS for contact details). BlackRock may elect to alter the Transaction Cut-off Time in certain situations.

Refer to section 7.1 of this PDS titled "How to invest" for details of the Fund's Business Day, Transaction Cut-off Time and Trade Date.

7.4 Do you have "cooling off" rights?

If you are not otherwise a "wholesale client" or "professional investor" (as defined in the Corporations Act) you have a 14-day cooling off period in which to decide if the investment is right for you. The 14-day cooling off period starts when your initial investment in the Fund is confirmed or the end of the fifth business day after the day on which units in the Fund are first issued, whichever is earlier.

If you would like to exercise your cooling off right, you must submit your request to us in writing (including by facsimile) and specifically state that you are exercising your cooling off right. If we receive your request by the Transaction Cut-off Time, your refund will generally be calculated on as at the current month end Trade Date.

Cooling off requests after this time will generally be held over to the month end Trade Date of the following month.

The amount of your refund will be reduced or increased for market movements in the Fund as well as any applicable transaction costs and less any non-refundable tax or duty paid or payable. Accordingly, depending upon the circumstances, the amount returned to you may be greater or less than the amount initially invested.

Refer to section 7.1 of this PDS titled "How to invest" for details of the Fund's Business Day, Transaction Cut-off Time and Trade Date.

Additional information has been incorporated by reference
Further information about how the Fund works has been incorporated by reference, including but not limited to how unit prices are calculated, distribution payment options, our anti-money laundering and counter terrorism financial requirements and our privacy policy. Refer to section 3 of the **BlackRock Additional Fund Information No. 2** document for further details, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-additional-fund-information-no2-en-au.pdf. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product.

8. Additional information

8.1 How managed investment schemes are taxed

Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice.

Registered managed investment schemes generally do not pay tax on behalf of investors. However, BlackRock may be required to withhold tax from each distribution at the relevant withholding tax rates under certain circumstances. You are assessed for tax on any income and capital gains generated by the registered investment scheme to which you are entitled.

Additional information has been incorporated by reference
Further information about taxation has been incorporated by reference. For further details go to section 4 of the **BlackRock Additional Fund Information No. 2** document, which is available on our website at https://www.blackrock.com/au/literature/product-disclosure-statement/blackrock-additional-fund-information-no2-en-au.pdf. You should read this important information before making a decision. This material may change between the time when you read this PDS and when you acquire the product.

8.2 Enquiries and complaints

If you have an enquiry or complaint, you can contact our Complaints Officer via Client Services (refer to page 2 of this PDS for contact details). We have established procedures for dealing with enquiries and complaints. If you make a complaint to us, the complaint will be acknowledged and steps will be taken to investigate your concerns. A final response will be provided within 30 calendar days in accordance with our obligations.

BlackRock is a member of the Australian Financial Complaints Authority (**AFCA**), an independent complaint resolution body. If your complaint is not addressed within 30 calendar days from the date it was received, or you are not satisfied with our response, you may refer your complaint to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA can be contacted by:

- Telephone: 1800 931 678 (free call)
- Mail: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne VIC 3001
- Email: info@afca.org.au
- Website: www.afca.org.au

For the hearing and speech impaired, AFCA can be contacted via National Relay Service (**NRS**):

- **Step 1:** Contact AFCA through your preferred NRS call channel detailed at https://www.accesshub.gov.au/ about-the-nrs/nrs-call-numbers-and-links;
- **Step 2:** Provide the NRS with AFCA's phone number 1800 931 678.

For more information visit: www.accesshub.gov.au/aboutthe-nrs