

BlackRock Global Funds

Simplified Prospectus

31 May 2011

Bond Funds

BlackRock Global Funds (“the Company”) is a SICAV incorporated in Luxembourg as an open-ended investment company and is authorised under Part I of the Luxembourg Law of 20 December 2002. It has an “umbrella” structure comprising a number of different Funds, each having a separate portfolio of investments.

Registered Office: 2-4, rue Eugène Ruppert,
L-2453 Luxembourg, Grand Duchy of Luxembourg.
Registered Number: B.6317

This Simplified Prospectus contains information about the following sub-funds of the Company which are categorised as Bond Funds:

Asian Local Bond Fund*
Asian Tiger Bond Fund
Emerging Markets Bond Fund
Euro Bond Fund
Euro Corporate Bond Fund
Euro Reserve Fund
Euro Short Duration Bond Fund
Fixed Income Global Opportunities Fund
Global Corporate Bond Fund
Global Government Bond Fund
Global High Yield Bond Fund
Global Inflation Linked Bond Fund
Local Emerging Markets Bond Fund*
Local Emerging Markets Short Duration Bond Fund
Renminbi Bond Fund*
US Dollar Core Bond Fund
US Dollar Corporate Bond Fund*
US Dollar High Yield Bond Fund
US Dollar Reserve Fund
US Dollar Short Duration Bond Fund
US Government Mortgage Fund
World Bond Fund
World Income Fund

Key to table:

* Funds not available for subscription at the date of this Simplified Prospectus. Such Funds may be launched at the Directors' discretion. Confirmation of the launch date of these Funds will then be made available at the local Investor Servicing team. Any provisions in this Simplified Prospectus relating to any one of these Funds shall only take effect from the launch date of the relevant Fund.

Please refer to the current full Prospectus of the Company for further details. The full Prospectus and the annual and interim report & accounts may be obtained upon request, from the registered office, free of charge. Terms in capitals where not defined in this document are defined in the full Prospectus.

Investment Objective & Policy

The investment objective and policy for each Bond Fund, together with details on Dealing and Base Currency is attached to this Simplified Prospectus as Appendix 1.

General Risk Factors

The value of investments and the income from them may go down as well as up and is not guaranteed. Past performance is not a guide to future performance. When you cash in all or part of your investment you may get back less than you invested. Exchange rate movements may also affect your investment, as well as price of securities.

A detailed description of the risk profile and, if applicable, of the use of derivatives, is contained in the full Prospectus and the Risk Factors specific to each Fund are set out in Appendix 2.

Profile of the Typical Investor

The Funds are available for investment by the general public. Typical investors are expected to be informed investors and willing to adopt capital and income risk.

BlackRock Investment Management (UK) Limited has allocated the following gradings on a scale of Low, Medium, Medium/High and High on each of the sub-funds.

- ▶ 'Low Risk' grading applies to Funds where there is a low expectation of capital loss but where income levels will vary. This grading is relevant for:

Euro Reserve Fund
US Dollar Reserve Fund

- ▶ 'Medium Risk' grading applies to Funds with exposure to capital market risk but where any equity exposure is balanced by exposure to high-quality bonds. This grading is relevant for:

Euro Bond Fund
Euro Corporate Bond Fund
Euro Short Duration Bond Fund
Fixed Income Global Opportunities Fund
Global Corporate Bond Fund
Global Government Bond Fund
Global Inflation Linked Bond Fund
US Dollar Core Bond Fund
US Dollar Corporate Bond Fund
US Dollar Short Duration Bond Fund
US Government Mortgage Fund
World Bond Fund

- ▶ 'Medium/High Risk' grading applies to Funds which may be expected to have all, or at least a high proportion, of their assets invested in equities, or in bonds rated below investment grade. This grading is relevant for:

Asian Local Bond Fund
Asian Tiger Bond Fund
Emerging Markets Bond Fund
Global High Yield Bond Fund
Local Emerging Markets Bond Fund
Local Emerging Markets Short Duration Bond Fund
Renminbi Bond Fund
US Dollar High Yield Bond Fund
World Income Fund

- ▶ 'High Risk' grading applies to Funds with emerging market, small capitalisation and narrowly focused/concentrated equity mandates, which may restrict liquidity and increase the volatility of returns.

None of the Bond Funds are graded 'High Risk'.

The above gradings are indicative of the level of risk associated with each Fund and are not supposed to be a guarantee of likely returns. They should only be used for comparison with other sub-funds provided by the Company. If you are in any doubt as to the level of risk that you should take, you should seek independent advice.

Launch Date and Fund Performance

The launch date and an overview of fund performance for each Bond Fund is provided in Appendix 1, attached to this Simplified Prospectus.

Treatment of Income and Classes of Shares

Shares are available in different Classes, representing nine different charging structures. Shares are further divided into Distributing and Non-Distributing Share classes.

Non-Distributing Shares of any class are also referred to using the number 2 e.g. Class A2.

Distributing Shares with monthly dividend payments are further divided into Shares as follows:

- ▶ Distributing Shares for which dividends are calculated daily are known as Distributing (D) Shares, which in any class are also referred to using the number 1. e.g. Class A1.
- ▶ Those Shares for which dividends are calculated monthly are known as Distributing (M) Shares, which in any class are also referred to using the number 3. e.g. Class A3.

Distributing Shares with quarterly dividend payments are known as Distributing (Q) Shares, which in any class are also referred to using the number 5. e.g. Class A5.

Distributing Shares with annual dividend payments are known as Distributing (A) Shares, which in any class are also referred to using the number 4. e.g. Class A4.

Distributing Shares where income is distributed gross of expenses will also be referred to as Distributing (G) Shares e.g. Class A4(G).

Classes of Shares which have obtained the UK Reporting Fund Status will also be referred to using the abbreviation RF, e.g. Class A5 (RF).

The Directors' current policy is to retain and reinvest all net income except for income attributable to the Distributing Share Classes. For the Distributing Share Classes, the policy is to distribute substantially all the investment income for the period after deduction of expenses. The Directors may determine if and to what extent dividends may include distributions from both net realised and net unrealised capital gains. Where dividends from certain share classes are paid from capital, Shareholders should note that such dividends may be taxable as income, depending on the local tax legislation, and should seek their own professional tax advice in this regard.

Where a fund has UK Reporting Fund status and reported income exceeds distributions made then the surplus shall be treated as a deemed dividend and will be taxed as income, subject to the tax status of the investor.

A list of Distributing Share Classes is available from the Company's registered office and the local Investor Servicing team.

Confirmation of all share classes and distribution frequencies can be obtained from the Company's registered office and the local Investor Servicing team. Distributing Shares with alternative payment frequencies may be introduced at the Directors' discretion. Confirmation of additional distribution frequencies and the date of their availability can be obtained from the Company's registered office and the local Investor Servicing team.

The Company may operate income equalisation arrangements with a view to ensuring that the level of net income accrued within a Fund (or gross income in the case of Distributing (G) Shares) and attributable to each Share is not affected by the issue, conversion, or redemption of Shares during an accounting period.

Where an Investor buys Shares during an accounting period, the price at which those Shares were bought may be deemed to include an amount of net income accrued since the date of the last distribution. The result is that, in relation to Distributing (M) Shares, Distributing (Q) Shares or Distributing (A) Shares, the first distribution which an Investor receives following purchase may include a repayment of capital. Accumulating Shares do not distribute income and so should not be impacted in the same way.

Where an Investor sells Shares during an accounting period the redemption price in relation to Distributing (M) Shares, Distributing (Q) Shares or Distributing (A) Shares, may be deemed to include an amount of net income accrued since the date of the last distribution. In the case Distributing (G) Shares equalisation will be calculated on the gross income of the Fund. Accumulating Shares do not distribute income and so should not be impacted in the same way.

The list of Funds operating income equalisation arrangements and the income element included in the daily price of Distributing (M) Shares, Distributing (Q) Shares and Distributing (A) Shares will be made available upon request from the Company's registered office.

Calculation of Dividends

The calculation method for each type is described below. Where Distributing (G) Shares are issued, the calculation method set out below is amended to reflect that income is distributed gross of expense:

| | Calculation Method |
|------------------|--|
| Distributing (D) | <p>The dividend is calculated daily based upon daily-accrued income less expenses, for the number of Shares outstanding on that day.</p> <p>At the discretion of the Directors, the dividend may also include distributions from both net realised and net unrealised capital gains.</p> <p>A cumulative monthly dividend is then distributed to shareholders based upon the number of Shares held and the number of days for which they were held during the period. Holders of Distributing (D) Shares shall be entitled to dividends from the date of subscription to the date of redemption.</p> |
| Distributing (M) | <p>The dividend is calculated monthly based upon income accrued during the dividend period less expenses.</p> <p>At the discretion of the Directors, the dividend may also include distributions from both net realised and net unrealised capital gains.</p> <p>The dividend is distributed to shareholders based upon the number of Shares held at the month end.</p> |
| Distributing (Q) | <p>The dividend is calculated quarterly based upon income accrued during the dividend period less expenses.</p> <p>At the discretion of the Directors, the dividend may also include distributions from both net realised and net unrealised capital gains.</p> <p>The dividend is distributed to shareholders based upon the number of Shares held at the end of the quarter.</p> |
| Distributing (A) | <p>The dividend is calculated annually based upon income accrued during the dividend period less expenses.</p> <p>At the discretion of the Directors, the dividend may also include distributions from both net realised and net unrealised capital gains.</p> <p>The dividend is distributed to shareholders based upon the number of Shares held at the end of the annual period.</p> |

Declaration, Payment of Reinvestment of Dividend

The chart below describes the declaration and payment of dividends and the reinvestment options available to shareholders.

| Dividend Classification* | Declaration | Payment | Automatic Dividend Reinvestment | Payment Method |
|--------------------------|---|--|--|--|
| Distributing Shares (D) | Last Business Day of each calendar month in the Dealing Currency(ies) of the relevant Fund. | Within 1 calendar month of declaration to shareholders holding Shares during the period following the previous declaration. | Dividends will be automatically reinvested in further Shares of the same form of the same class of the same Fund, unless the shareholder requests otherwise either in writing to the local Investor Servicing team or on the application form. | Dividends (where a shareholder has notified the local Investor Servicing team or on the application form) are paid directly into the shareholder's bank account by telegraphic transfer in the shareholder's chosen dealing currency at the shareholder's cost (except as otherwise agreed with by an underlying investor with his/her distributor.) |
| Distributing Shares (M) | | Within 1 calendar month of declaration to shareholders registered in the share register on the Business Day prior to the declaration date. | | |
| Distributing Shares (Q) | 20 March, 20 June, 20 September and 20 December (provided such day is a Business Day and if not, the following Business Day). | Within 1 calendar month of the date of the declaration to shareholders. | | |
| Distributing Shares (A) | Last Business Day of each fiscal year in the Dealing Currency(ies) of the relevant Fund. | Within 1 calendar month of declaration to shareholders registered in the share register on the Business Day prior to the declaration date. | | |

* The options described in this chart will also apply to the respective class(es) of UK Reporting Fund status Shares.

Declarations and payment of dividends are announced in the d'Wort in Luxembourg.

No initial charge or CDSC is made on Class A, Class B or Class Q Distributing Shares, respectively, issued by way of dividend reinvestment.

It should be borne in mind that re-invested dividends are likely to be treated for tax purposes in most jurisdictions as income received by the shareholder.

UK Reporting Funds

In November 2009, the UK Government enacted Statutory Instrument 2009 / 3001 (The Offshore Funds (Tax) Regulations 2009) which provides for a new framework for the taxation of investments in offshore funds and which operates by reference to whether a Fund opts into a reporting regime ("UK Reporting Funds") or not ("Non-UK reporting Funds"). Under the new regime, investors in Reporting Funds will be subject to tax on the share of the Reporting Fund's income attributable to their holding in the Fund, whether or not distributed, but any gains on disposal of their holding are subject to capital gains tax. The new regime has effect for accounting periods beginning on or after 1 December 2009.

The new UK Reporting Funds regime applies to the Company with effect from 1 September 2010.

The Directors have made a successful application for UK Reporting Fund status in relation to Funds which previously had UK Distributor Status (see below). The Directors may also choose to apply for UK Reporting Fund status in respect of Funds which did not have UK Distributor Status. However, no guarantee can be given that Reporting Fund status will be obtained.

A list of the Funds which currently have UK Reporting Fund status is available at www.blackrock.co.uk/reportingfundstatus.

Provided such certification is obtained, shareholders who are UK taxpayers (i.e. resident or ordinarily resident in the UK for tax purposes) will (unless regarded as trading in securities) have any gain realised upon disposal or conversion of the Company's Share treated as a capital gain which will be subject to UK capital gains tax. Otherwise any such gain would be treated as income subject to income tax. In the case of individuals domiciled for UK tax purposes outside the UK, the tax implications in relation to any gain on disposal will depend on whether or not the individual is subject to the remittance basis of taxation. Please note that the changes made in Finance Bill 2008 relating to the UK taxation of non-domiciled, UK resident individuals are complex therefore investors subject to the remittance basis of taxation should seek their own professional advice.

In accordance with Regulation 90 of the Offshore Funds (Tax) Regulations 2009, shareholder reports are made available within six months of the end of the reporting period at www.blackrock.co.uk/reportingfundstatus. The intention of the Offshore Fund Reporting regulations is that reportable income data shall principally be made available on a website accessible to UK investors. Alternatively, the shareholders may if they so require, request a hard copy of the reporting fund data for any given year free of charge. Such requests must be made in writing to the following address:

Head of Product Tax, BlackRock Investment Management (UK) Limited, 33 King William Street, London, EC4R 9AS.

Each such request must be received within three months of the end of the reporting period. Unless the fund manager is notified to the contrary in the manner described above, it is understood that investors do not require their report to be made available other than by accessing the appropriate website.

Dealing Currency

The currency or currencies in which applicants may currently subscribe for the Shares of any Fund. Dealing currencies may be introduced at the Directors' discretion. Confirmation of the Dealing

Currencies is available from the registered office of the Company and from the local Investor Servicing team.

Hedged Share Classes

Those Share Classes to which a currency hedging strategy is applied. An update of available Hedged Share Classes will be included in the Simplified Prospectus each time it is updated. Hedged Share Classes may be made available in other Funds and in other currencies at the Directors' discretion. Confirmation of the Funds and currencies in which the Hedged Share Classes are available can be obtained from the registered office of the Company and from the local Investor Servicing team.

Fees, Charges & Expenses

Full details of the charges and expenses (for individual Classes of Shares) for each Fund are attached to this Simplified Prospectus as Appendix 3.

Selected distributors may impose a **charge** on each conversion of those Shares acquired through them, which will be deducted at the time of conversion and paid to the relevant distributor. While other conversions between the same class of Shares of two Funds are normally free of charge, the Investment Manager may, at its discretion (and without prior notice), make an additional conversion charge which would increase the amount paid to up to 2% if excessively frequent conversions are made. Any such charges will be deducted at the time of conversion and paid to the relevant distributor or the Principal Distributor (as applicable).

A **redemption charge** of 2% of the redemption proceeds can be charged to a shareholder at the discretion of the Directors where the Directors, in their reasonable opinion, suspect that shareholder of excessive trading. This charge will be made for the benefit of the Funds, and shareholders will be notified in their contract notes if such a fee has been charged. This charge will be in addition to any applicable conversion charge or deferred sales charge.

The **Custodian** receives annual fees, based on the value of securities, which accrue daily, plus transaction fees. The annual custody safekeeping fees range from 0.005% to 0.441% per annum and the transaction fees range from US\$ 8.8 to US\$ 196 per transaction.

The Company pays an **Administration Fee** to the Management Company.

The level of Administration Fee may vary at the Directors' discretion, as agreed with the Management Company, and will apply at different rates across the various Funds and Share Classes issued by the Company. However, it has been agreed between the Directors and the Management Company that the Administration Fee currently paid shall not exceed 0.25% per annum. It is accrued daily, based on the Net Asset Value of the relevant Share Class and paid monthly.

The Directors and the Management Company set the level of the Administration Fee at a rate which aims to ensure that the total expense ratio of each Fund remains competitive when compared across a broad market of similar investment products available to investors in the Funds, taking into account a number of criteria such as the market sector of each Fund and the Fund's performance relative to its peer group.

The Administration Fee is used by the Management Company to meet all fixed and variable operating and administrative costs and expenses incurred by the Company, with the exception of the Custodian fees, Distribution fees and Securities Lending fees, plus any taxes thereon and any taxes at an investment or Company level.

These operating and administrative expenses include all third party expenses and other recoverable costs incurred by or on behalf of the Company from time to time, including but not limited to, fund accounting fees, transfer agency fees (including sub-transfer agency and associated platform dealing charges), all professional costs, such as consultancy, legal, tax advisory and audit fees, Directors' fees (for those Directors who are not employees of the BlackRock Group), travel expenses, reasonable out-of-pocket expenses, printing, publication, translation and all other costs relating to shareholder reporting, regulatory filing and licence fees, correspondent and other banking charges, software support and maintenance, operational costs and expenses attributed to the Investor Servicing teams and other global administration services provided by various BlackRock Group companies.

The Management Company bears the risk of ensuring that the Fund's total expense ratio remains competitive. Accordingly the Management Company is entitled to retain any amount of the Administration Fee paid to it which is in excess of the actual expenses incurred by the Company during any period whereas any costs and expenses incurred by the Company in any period which exceed the amount of Administration Fee that is paid to the Management Company, shall be borne by the Management Company or another BlackRock Group company

Price Publication

All prices are determined after the deadline for receipt of dealing orders (12 noon Luxembourg time) on the Dealing Day, meaning any business day in Luxembourg for banks and the Luxembourg stock exchange, concerned (except for Christmas Eve). Prices are quoted in the Dealing Currency(ies) of the relevant Fund.

Prices for Shares may be obtained during business hours from the local Investor Servicing team.

How to Buy/Sell/Convert Shares

Dealing of shares can normally be effected daily on any day that is a Dealing Day for the relevant Fund. Orders for subscription, redemption and conversion of Shares should be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on the relevant Dealing Day and the prices applied will be those calculated in the afternoon of that day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after 12 noon Luxembourg time on a Dealing Day will be dealt with on the next Dealing Day.

Orders placed through distributors rather than directly with the Transfer Agent or the local Investor Servicing team may be subject to different procedures which may delay receipt by the Transfer Agent or the local Investor Servicing team. Investors should consult their distributor before placing orders in any Fund.

A shareholder who makes a subscription or a redemption of Shares through the Paying Agent or other entities responsible for processing Share transactions in any jurisdiction where the Shares are offered may be charged with the expenses linked to the activity

carried out by such entities. In Italy, additional expenses incurred by the Italian Paying Agent(s) or other entities responsible for processing Share transactions for and on behalf of Italian shareholders (for example for the cost of foreign exchange dealing) may be charged to those shareholders directly. Investors in Italy may confer on the Italian Paying Agent a specific mandate empowering the latter to act in its own name and on behalf of the same investors. Under this mandate, the Italian Paying Agent in its own name and on behalf of the investors in Italy shall (i) transmit in aggregated form to the Company subscription /redemption/ conversion orders; (ii) hold the Shares in the register of shareholders of the Company and (iii) carry out any other administrative activity under the investment contract. Further details of such mandate will be provided in the subscription form for Italy.

Applications

Initial applications for Shares must be made to the Transfer Agent or the local Investor Servicing team on the application form. Certain distributors may allow underlying investors to submit applications through them for onward transmission to the Transfer Agent or the local Investor Servicing team. For initial applications for Shares by fax or telephone, applicants will be sent an application form that must be completed and returned by mail to the Transfer Agent or the local Investor Servicing team to confirm the application. Failure to provide the original application form will delay the completion of the transaction and consequently the ability to effect subsequent dealings in the Shares concerned. Subsequent applications for Shares may be made in writing or by fax or telephone. Investors who do not specify a Share Class in the application will be deemed to have requested Class A Non-Distributing Shares. In some countries investors may be able to subscribe for Shares through regular savings plans. In particular, in Italy investors may be able to subscribe for Shares through regular savings plans. Under regular savings plans it may be also possible to periodically/regularly redeem and/or convert the Shares. Details of the regular savings plans facilities offered will be provided in the subscription form for Italy.

Applications for Registered Shares should be made for Shares having a specified value and fractions of Shares will be issued where appropriate. Global Certificates will be issued in whole Shares only.

The right is reserved to reject any application for Shares or to accept any application in part only. In addition, issues of Shares of any or all funds may be deferred until the next Dealing Day or suspended, where the aggregate value of orders for all Classes of Shares of that Fund exceeds a particular value (currently fixed by the Directors at 10% by approximate value of the Fund concerned) and the Directors consider that to give effect to such orders on the relevant Dealing Day would adversely affect the interests of existing shareholders. This may result in some shareholders having subscription orders deferred on a particular Dealing Day, whilst others do not. Applications for Shares so deferred will be dealt with in priority to later requests.

The minimum initial subscription in respect of any class of Shares of the Fund is US\$5,000 (except for Class D Shares where the minimum is US\$500,000 and Class I Shares, Class J Shares and Class X Shares where the minimum is US\$10 million) or the approximate equivalent in the relevant Dealing Currency. The minimum for additions to existing holdings of any class of Shares of a Fund is US\$1,000 or the approximate equivalent.

In order to comply with anti-money laundering regulation, additional documentation may be required for subscriptions for Shares. The circumstances under which it is required and the precise requirements are available upon request to provide documentation may result in the withholding of redemption proceeds. If you have any questions regarding the identification documentation required, you should contact the local Investor Servicing team or the Transfer Agent.

For all Shares, settlement in cleared funds net of bank charges must be made within three Business Days of the relevant Dealing Day unless otherwise specified in the contract note in cases where the standard settlement date is a public holiday for the currency of settlement.

Redemptions

Instructions for the redemption of Registered Shares should normally be given by completing the form that accompanies confirmation notes and is available from the Transfer Agent or the local Investor Servicing team. Certain distributors may allow underlying investors to submit instructions for redemptions through them for onward transmission to the Transfer Agent or the local Investor Servicing team. They may also be given to the Transfer Agent or the local Investor Servicing team in writing, or by fax or telephone followed in each case by confirmation in writing sent by mail to the Transfer Agent or the local Investor Servicing team unless a coverall renunciation and fax indemnity including instructions to pay the redemption proceeds to a specified bank account has been agreed. Failure to provide written confirmations may delay settlement of the transaction. Written redemption requests (or written confirmations of such requests) must include the full name(s) and address of the holders, the name of the Fund, the Class (including whether it is the Distributing or Non-Distributing Share Class), the value or number of Shares to be redeemed and full settlement instructions and must be signed by all holders. If a redemption order is made for a cash amount or for a number of Shares to a higher value than that of the applicant's account then this order will be automatically treated as an order to redeem all of the Shares on the applicant's account.

Redemption payments will normally be dispatched in the relevant Dealing Currency on the third Business Day after the relevant Dealing Day, provided that the relevant documents have been received, details of which are available from the local Investor Servicing team or the Transfer Agent.

Conversions

Investors may make conversions of their shareholdings between the same Classes of Shares of the various Funds and thereby alter the balance of their portfolios to reflect changing market conditions.

Conversions are also permitted from one Class of Share of a Fund to Shares of another Class of either the same Fund or a different Fund. Such conversions are permitted provided that the shareholder satisfies the conditions applicable to investment of the Investment in the Share Class being converted into. Conversion and investment into certain Share Classes is at the discretion of the Management Company. The Directors may, at their discretion, refuse conversions in order to ensure that the Shares are not held by or on behalf of any person who does not meet the conditions applicable to investment in that Share Class, or who would hold the Shares in circumstances which could give rise to a breach of law, or requirements of any country, government or regulatory authority on

the part of that person or give rise to adverse tax or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. Additional detail on conversions may be found in the full Prospectus of the Company.

Instructions for the conversion of Registered Shares should normally be given by completing the appropriate form that accompanies confirmation notes and is available from the Transfer Agent or the local Investor Servicing team. Certain distributors may allow underlying investors to submit instructions for conversions through them for onward transmission to the Transfer Agent or the local Investor Servicing team. Instructions may also be given by fax or telephone or in writing to the Transfer Agent or the local Investor Servicing team. Conversion instructions must include the full name(s) and address of the holder(s), the name of the Fund, the Class (including whether it is the Distributing or Non-Distributing Share class), the value or number of Shares to be converted and the Fund to be converted into (and the choice of Dealing Currency of the Fund where more than one is available) and whether they are UK Reporting Fund status Shares.

Where the Fund to which a conversion relates has a different Dealing Currency then currency will be converted at the relevant rate of exchange on the Dealing Day on which the conversion is effected.

Redemptions and conversions may be suspended or deferred as further described in the full Prospectus.

Taxation

Under present Luxembourg law and practice, the Company is not liable to any Luxembourg income or capital gains tax, nor are dividends paid by the Company subject to any Luxembourg withholding tax.

The Company is liable to a tax in Luxembourg of 0.05% per annum or, in the case of the Reserve Funds, Class I, Class X Shares and Class J Shares, 0.01% per annum of its Net Asset Value, payable quarterly on the basis of the value of the net assets of the respective Funds at the end of the relevant calendar quarter. No stamp or other tax is payable in Luxembourg on the issue of Shares.

Under Luxembourg tax law in force at the time of this prospectus, Shareholders are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg (except for those domiciled, resident or having a permanent establishment in Luxembourg). Non-resident Shareholders are not subject to tax in Luxembourg on any capital gain realized from January 1, 2011, upon disposal of shares held in the Company.

Generally, dividends and interest received by the Company on its investments are generally subject to irrecoverable withholding taxes in the countries of origin.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, redeeming, converting or selling Shares, or the effects of any equalisation policy relevant in respect of shares, under the laws of their country of citizenship, residence or domicile. Investors should note that the levels and bases of, and reliefs from, taxation could change.

Under current Luxembourg tax law and subject to the application of the laws dated 21 June 2005 (the “Laws”) implementing Council Directive 2003/48/EC on the taxation of savings income (the “EUSD”), there is no withholding tax on payments made by the Company or its paying agent to the shareholders.

Under the Laws, a Luxembourg-based paying agent (within the meaning of the EUSD) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State of the European Union (“EU”) or an entity in the sense of Article 4.2. of the EUSD (“Residual Entities”), established in another Member State of the EU, unless the beneficiary of the interest payments elects for an exchange of information or for the tax certificate procedure. The same regime applies to payments to individuals or Residual Entities resident in any of the following EU dependent or associated territories: Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands.

The withholding tax rate is 20% until 30 June 2011 increasing to 35% as from 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Interest as defined by the Laws and the EUSD encompasses income realised upon the sale, refund, redemption of shares or units held in certain funds of the Company if, under its investment policy or, in the absence of a clear investment policy, under the real composition of the funds’ investment portfolio, said funds invest, directly or indirectly, more than 25% of their assets in debt claims, as well as any income distributed by said funds where the investment in debt claims of such funds exceeds 15% of their assets. Subject to the 15% and/or 25% thresholds being reached, a withholding tax could thus apply when a Luxembourg-based paying agent makes payments available on account of a dividend distribution (a reinvested dividend is considered dividend distribution) and/or a redemption or refund of Shares (including redemption in kind) to the immediate benefit of a shareholder who is an individual or a Residual Entity residing in another EU Member State or in certain EU dependent or associated territories.

Investors should note that the European Commission made proposals to amend the EUSD. If implemented, the proposed amendments would, inter alia, extend the scope of the EUSD to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

Additional Important Information

Date of incorporation of the Company

14 June 1962

Country of incorporation

Grand Duchy of Luxembourg

Supervisory authority

Commission de Surveillance du Secteur Financier

Management Company

BlackRock (Luxembourg) S.A.
6D, route de Trèves, L-2633 Senningerberg,
Grand Duchy of Luxembourg

Principal Distributor

BlackRock (Channel Islands) Limited
Forum House, Grenville Street, St. Helier,
Jersey JE1 0BR, Channel Islands

Investment Advisers

BlackRock Investment Management (UK) Limited
33 King William Street,
London EC4R 9AS, UK

BlackRock International Limited
40 Torphichen Street,
Edinburgh EH3 8JB, Scotland

BlackRock Financial Management, Inc.,
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BlackRock Investment Management, LLC.
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Plainsboro, NJ 08536, USA

BlackRock (Singapore) Limited
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Promoter

BlackRock Investment Management (UK) Limited
33 King William Street,
London EC4R 9AS, UK

Enquiries

Written enquiries:

BlackRock Investment Management (UK) Limited,
c/o BlackRock (Luxembourg) S.A.,
P.O. Box 1058, L-1010 Luxembourg,
Grand Duchy of Luxembourg

All other enquiries:

Telephone: + 44 207 743 3300,
Fax: + 44 207 743 1143

Custodian/Fund Accountant

The Bank of New York Mellon (International) Limited
2-4, rue Eugène Ruppert,
L-2453 Luxembourg,
Grand Duchy of Luxembourg

Transfer Agent and Registrar

J.P. Morgan Bank Luxembourg S.A.
6C, route de Trèves, L-2633 Senningerberg
Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers
Réviseur d'entreprises
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For further information contact the local Investor Servicing team.

Issued by BlackRock Global Funds.

For your protection, telephone calls may be recorded.

BlackRock Investment Management (UK) Limited does not provide advice on the suitability and appropriateness of your investment in the Company's Funds. It is important that you read the specific aspects relating to the Fund as set out in the full Prospectus.

Appendix 1 – Investment Objectives and Performance Details for Bond Funds

ASIAN LOCAL BOND FUND

Investment Objective & Policy

The *Asian Local Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in the local currency-denominated fixed income transferable securities issued by governments, agencies and companies domiciled in, or exercising the predominant part of their economic activity in, Asia, excluding Japan. The full spectrum of available securities, including non-investment grade, may be utilised. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund will be launched after the date of this document, at the Directors' discretion, and therefore past performance details are not available. Confirmation of the launch date of this Fund will be available from the registered office of the Company and the local Investor Servicing team.

ASIAN TIGER BOND FUND

Investment Objective & Policy

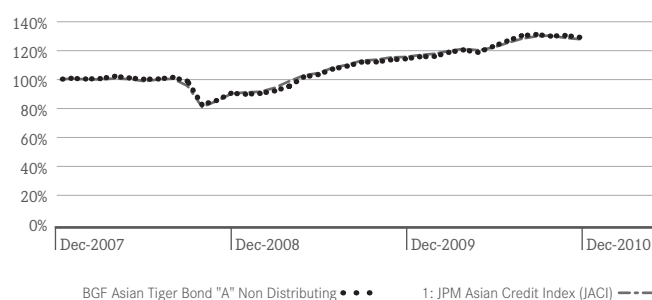
The *Asian Tiger Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in the fixed income transferable securities of issuers domiciled in or exercising the predominant part of their economic activity in, Asian Tiger countries. The Fund may invest in the full spectrum of available securities including non-investment grade. The currency exposure of the Fund is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 2 February 1996.

Indexed Performance



EMERGING MARKETS BOND FUND

Investment Objective & Policy

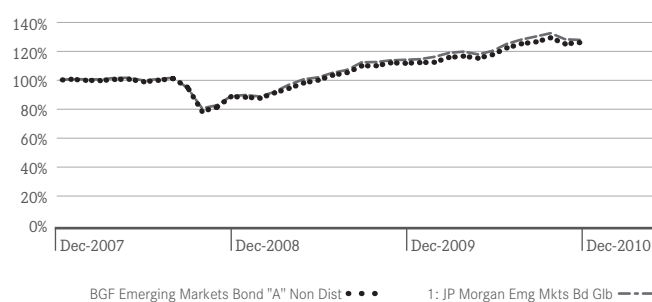
The *Emerging Markets Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in the fixed income transferable securities of governments, agencies and companies domiciled in, or exercising the predominant part of their economic activity in, developing markets. The Fund may invest in the full spectrum of available securities including non-investment grade. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 1 October 2004.

Indexed Performance



EURO BOND FUND

Investment Objective & Policy

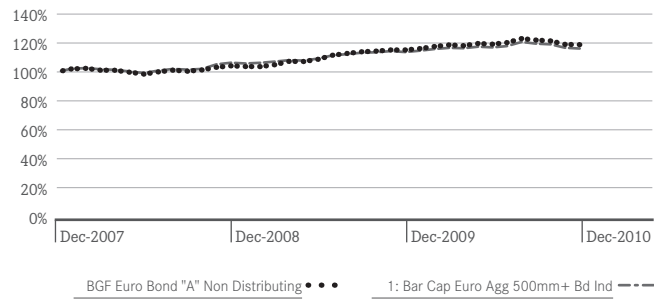
The *Euro Bond Fund* seeks to maximise total return. The Fund invests at least 80% of its total assets in investment grade fixed income transferable securities. At least 70% of total assets will be invested in fixed income transferable securities denominated in euro. Currency exposure is flexibly managed.

The Base Currency of the Fund is €.

Launch Date and Performance Details

The Fund was launched on 31 March 1994.

Indexed Performance



EURO CORPORATE BOND FUND

Investment Objective & Policy

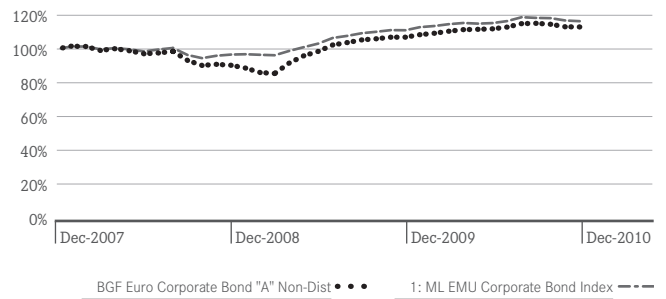
The *Euro Corporate Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in investment grade corporate fixed income transferable securities denominated in euro. Currency exposure is flexibly managed.

The Base Currency of the Fund is €.

Launch Date and Performance Details

The Fund was re-launched on 31 July 2006.

Indexed Performance



EURO RESERVE FUND

Investment Objective & Policy

The *Euro Reserve Fund* seeks to maximise current income consistent with preservation of capital and liquidity. The Fund invests at least 90% of its total assets in investment grade fixed income transferable securities denominated in Euro and Euro cash. The weighted average maturity of the Fund's assets will be 60 days or less.

The Base Currency of the Fund is €.

Launch Date and Performance Details

The Fund was launched on 24 July 2009.

Indexed Performance



EURO SHORT DURATION BOND FUND

Investment Objective & Policy

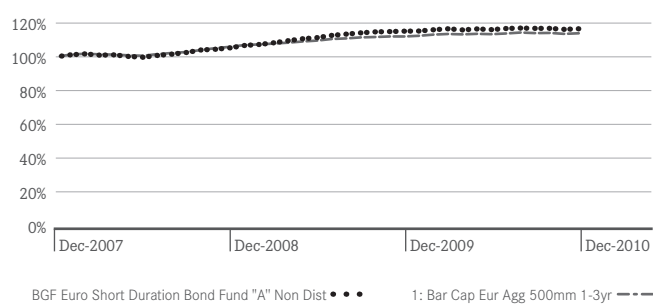
The *Euro Short Duration Bond Fund* seeks to maximise total return. The Fund invests at least 80% of its total assets in investment grade fixed income transferable securities. At least 70% of total assets will be invested in investment grade fixed income transferable securities denominated in euro with a duration of less than five years. The average duration is not more than three years. Currency exposure is flexibly managed.

The Base Currency of the Fund is €.

Launch Date and Performance Details

The Fund was launched on 4 January 1999.

Indexed Performance



FIXED INCOME GLOBAL OPPORTUNITIES FUND

Investment Objective & Policy

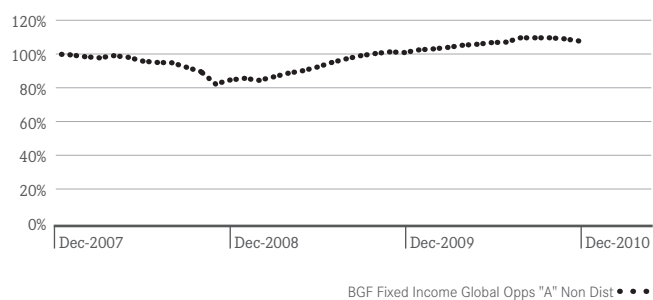
The *Fixed Income Global Opportunities Fund* seeks to achieve an absolute return. The Fund invests at least 70% of its total assets in fixed income transferable securities denominated in various currencies issued by governments, agencies and companies worldwide. The full spectrum of available securities, including non-investment grade, may be utilised. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 31 January 2007.

Indexed Performance



GLOBAL CORPORATE BOND FUND

Investment Objective & Policy

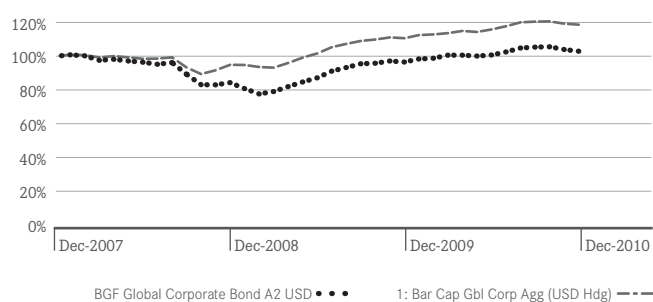
The *Global Corporate Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in investment grade corporate fixed income securities issued by companies worldwide. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 19 October 2007.

Indexed Performance



GLOBAL GOVERNMENT BOND FUND

Investment Objective & Policy

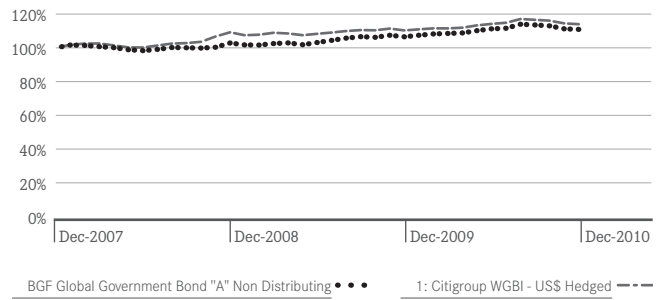
The *Global Government Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in investment grade fixed income transferable securities issued by governments and their agencies worldwide. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 13 May 1987.

Indexed Performance



GLOBAL HIGH YIELD BOND FUND

Investment Objective & Policy

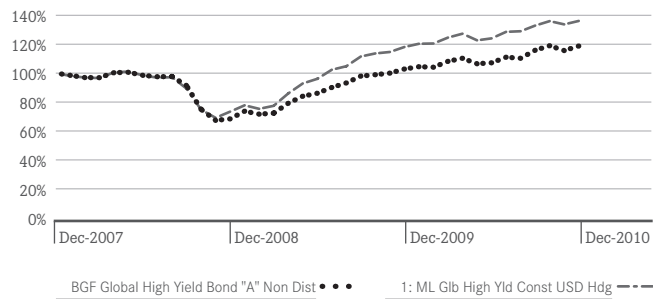
The *Global High Yield Bond Fund* seeks to maximise total return. The Fund invests globally at least 70% of its total assets in high yield fixed income transferable securities. The Fund may invest in the full spectrum of available fixed income transferable securities including non-investment grade. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 8 June 2007.

Indexed Performance



GLOBAL INFLATION LINKED BOND FUND

Investment Objective & Policy

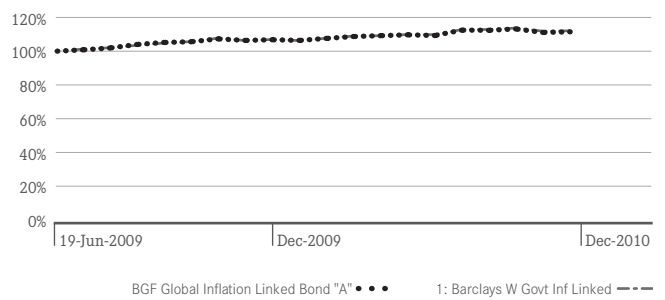
The *Global Inflation Linked Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in inflation-linked fixed income transferable securities that are issued globally. The Fund may only invest in fixed income transferable securities which are investment grade at the time of purchase. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 19 June 2009.

Indexed Performance



LOCAL EMERGING MARKETS BOND FUND

Investment Objective & Policy

The *Local Emerging Markets Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in local currency-denominated fixed income transferable securities issued by governments, agencies and companies domiciled in, or exercising the predominant part of their economic activity in, developing markets. The full spectrum of available securities, including non-investment grade, may be utilised. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund will be launched after the date of this document, at the Directors' discretion, and therefore past performance details are not available. Confirmation of the launch date of this Fund will be available from the registered office of the Company and the local Investor Servicing team.

LOCAL EMERGING MARKETS SHORT DURATION BOND FUND

Investment Objective & Policy

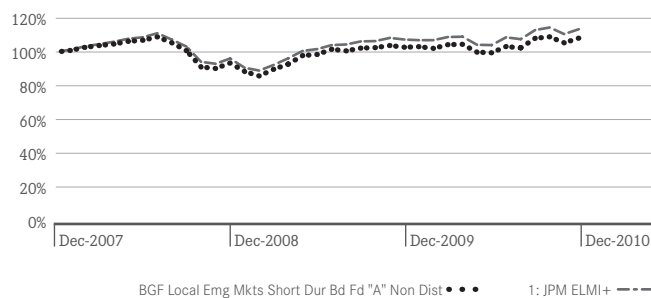
The *Local Emerging Markets Short Duration Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in local currency-denominated fixed income transferable securities with a duration of less than five years issued by governments, agencies and companies domiciled in, or exercising the predominant part of their economic activity in, developing markets. The average duration is not more than two years. The full spectrum of available securities, including non-investment grade, may be utilised. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 26 June 1997.

Indexed Performance



RENMINBI BOND FUND

Investment Objective & Policy

The *Renminbi Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in fixed income transferable securities denominated in Renminbi and Renminbi Cash. The Fund may invest in the full spectrum of available fixed income transferable securities, including non-investment grade. Currency exposure is flexibly managed.

The Base Currency of the Fund is RMB.

Launch Date and Performance Details

The Fund will be launched after the date of this document, at the Directors' discretion, and therefore past performance details are not available. Confirmation of the launch date of this Fund will be available from the registered office of the Company and the local Investor Servicing team.

US DOLLAR CORE BOND FUND

Investment Objective & Policy

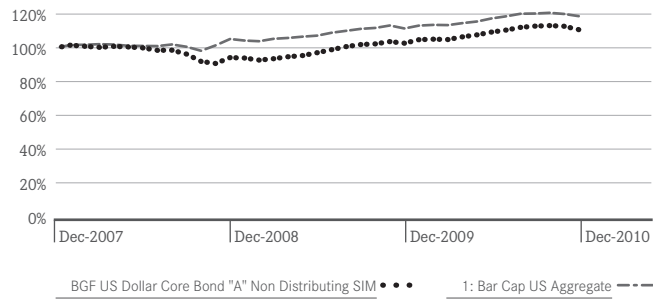
The *US Dollar Core Bond Fund* seeks to maximise total return. The Fund invests at least 80% of its total assets in investment grade fixed income transferable securities. At least 70% of the Fund's total assets are invested in fixed income transferable securities denominated in US dollars. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 13 July 1999.

Indexed Performance



US DOLLAR CORPORATE BOND FUND

Investment Objective & Policy

The *US Dollar Corporate Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in investment grade corporate fixed income securities denominated in US dollars. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund will be launched after the date of this document, at the Directors' discretion, and therefore past performance details are not available. Confirmation of the launch date of this Fund will be available from the registered office of the Company and the local Investor Servicing team.

US DOLLAR HIGH YIELD BOND FUND

Investment Objective & Policy

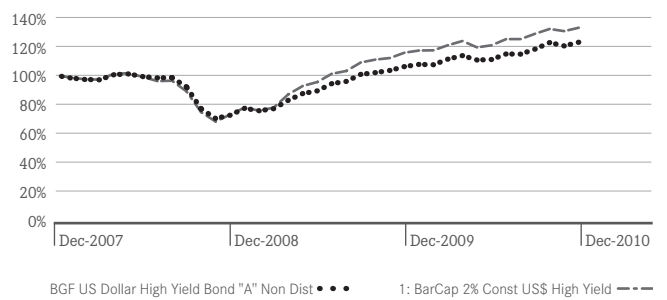
The *US Dollar High Yield Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in high yield fixed income transferable securities denominated in US dollars. The Fund may invest in the full spectrum of available fixed income transferable securities, including non-investment grade. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 29 October 1993.

Indexed Performance



US DOLLAR RESERVE FUND

Investment Objective & Policy

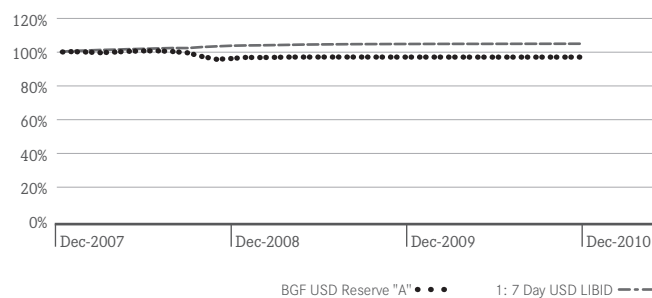
The **US Dollar Reserve Fund** seeks to maximise current income consistent with preservation of capital and liquidity. The Fund invests at least 90% of its total assets in investment grade fixed income transferable securities denominated in US dollars and US dollar cash. The weighted average maturity of the Fund's assets will be 60 days or less.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was formerly known as the Reserve Fund (launched on 30 November 2003) and was re-named on 24 July 2009.

Indexed Performance



US DOLLAR SHORT DURATION BOND FUND

Investment Objective & Policy

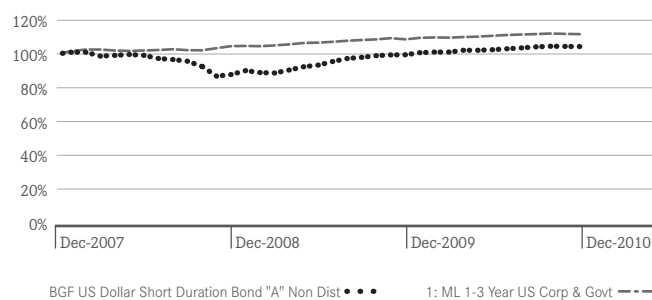
The **US Dollar Short Duration Bond Fund** seeks to maximise total return. The Fund invests at least 80% of its total assets in investment grade fixed income transferable securities. At least 70% of the Fund's total assets are invested in fixed income transferable securities denominated in US dollars with a duration of less than five years. The average duration is not more than three years. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 31 October 2002.

Indexed Performance



US GOVERNMENT MORTGAGE FUND

Investment Objective & Policy

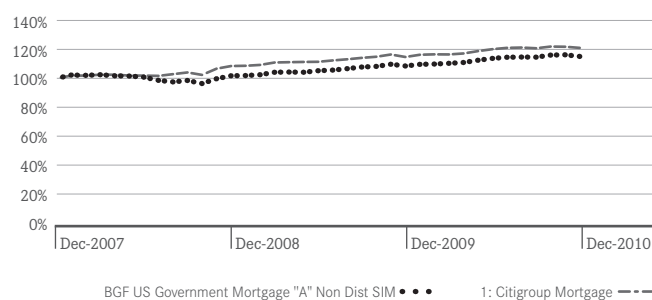
The **US Government Mortgage Fund** seeks a high level of income. The Fund invests at least 80% of its total assets in fixed income transferable securities issued or guaranteed by the United States Government, its agencies or instrumentalities, including Government National Mortgage Association ("GNMA") mortgage-backed certificates and other U.S. Government securities representing ownership interests in mortgage pools, such as mortgage-backed securities issued by Fannie Mae and Freddie Mac. All securities in which the Fund invests are US dollar-denominated securities.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 2 August 1985.

Indexed Performance



WORLD BOND FUND

Investment Objective & Policy

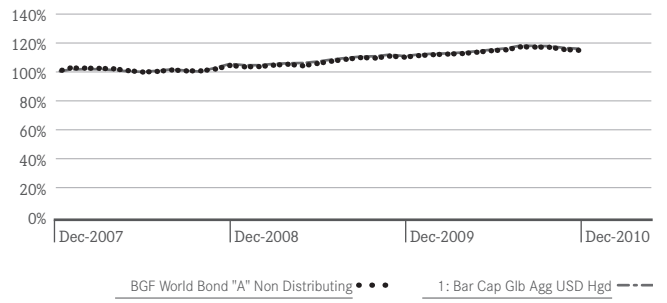
The *World Bond Fund* seeks to maximise total return. The Fund invests at least 70% of its total assets in investment grade fixed income transferable securities. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 4 September 1985.

Indexed Performance



WORLD INCOME FUND

Investment Objective & Policy

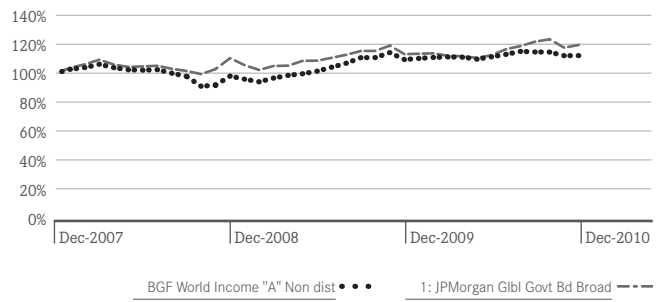
The *World Income Fund* seeks to maximise total return, a significant portion of which may be derived from income. The Fund invests globally at least 70% of its total assets in fixed income transferable securities denominated in a variety of currencies. The Fund may invest in the full spectrum of available fixed income transferable securities, including non-investment grade. Currency exposure is flexibly managed.

The Base Currency of the Fund is US\$.

Launch Date and Performance Details

The Fund was launched on 30 November 2005.

Indexed Performance



Appendix 2 – Risk Profile of Bond Funds

This section explains some of the key risks that apply to the Funds. Other risks may also be relevant from time to time and in particular, the Company's performance may be affected by changes in market and/or economic and political conditions, and in legal, regulatory and tax requirements.

No guarantee or representation is made that the investment program will be successful and there can be no assurance that the investment objective of the Company or a Fund will be achieved. There can be no assurance that the investment objectives of each Fund will be achieved. Also, past performance is no guide to future performance, and the value of investments may go down as well as up. The performance data does not take account of the commissions and costs incurred on the issue and redemption of shares. Changes in rates of exchange between currencies may cause the value of a Fund's investments to diminish or increase.

On establishment, a Fund will normally have no operating history upon which prospective investors may base an evaluation of performance.

| Fund Name | Specific Risks |
|--|--|
| <i>Emerging Markets Bond Fund</i> <i>Local Emerging Markets Bond Fund</i> <i>Local Emerging Markets Short Duration Bond Fund</i> <i>US Government Mortgage Fund</i> <i>World Income Fund</i> | <p>Risk to Capital Growth</p> <p>Certain Funds may make distributions from capital as well as from income and net realised and net unrealised capital gains. In addition certain Funds may pursue investment strategies in order to generate income. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital and the potential for long-term capital growth as well as increasing any capital losses. This may occur for example:</p> <ul style="list-style-type: none"> ▶ if the securities markets in which the Fund invests were sufficiently declining so that the Fund has incurred net capital losses; ▶ if dividends are paid gross of fees and expenses this will mean fees and expenses are paid out of net realised and net unrealised capital gains or initially subscribed capital. As a result payment of dividends on this basis may reduce capital growth or reduce the capital of the Fund. See also "Tax Considerations" below. |
| <i>All Funds</i> | <p>Tax Considerations</p> <p>The Company may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. Where the Company invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Company may not be able to recover such tax and so any such change could have an adverse effect on the Net Asset Value of the Shares.</p> <p>The tax information provided in the "Taxation" section is based, to the best knowledge of the Directors, upon tax law and practice as at the date of this Prospectus. Tax legislation, the tax status of the Company, the taxation of Shareholders and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time. Any change in the taxation legislation in any jurisdiction where a Fund is registered, marketed or invested could affect the tax status of the Fund, affect the value of the Fund's investments in the affected jurisdiction and affect the Fund's ability to achieve its investment objective and/or alter the post-tax returns to Shareholders. Where a Fund invests in derivatives, the preceding sentence may also extend to the jurisdiction of the governing law of the derivative contract and/or the derivative counterparty and/or to the market(s) comprising the underlying exposure(s) of the derivative.</p> <p>The availability and value of any tax reliefs available to Shareholders depend on the individual circumstances of Shareholders. The information in the "Taxation" section is not exhaustive and does not constitute legal or tax advice. Prospective investors are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Company.</p> <p>Where a Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, for example the Middle East, the relevant Fund, the Manager, the Investment Manager and the Custodian shall not be liable to account to any Shareholder for any payment made or suffered by the Company in good faith to a fiscal authority for taxes or other charges of the Company or the relevant Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, or the lack of a developed mechanism for practical and timely payment of taxes, the relevant Fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Fund. Such late paid taxes will normally be debited to the fund at the point the decision to accrue the liability in the Fund accounts is made.</p> |

Tax Considerations cont.

Shareholders should note that certain Share Classes may pay dividends gross of expenses. This may result in Shareholders receiving a higher dividend than they would have otherwise received and therefore Shareholders may suffer a higher income tax liability as a result. In addition, in some circumstances, paying dividends gross of expenses may mean that the Fund pays dividends from capital property as opposed to income property. Such dividends may still be considered income distributions in the hands of Shareholders, depending on the local tax legislation in place, and therefore investors may be subject to tax on the dividend at their marginal income tax rate. Shareholders should seek their own professional tax advice in this regard.

*All Funds***Other Risks**

The funds may be exposed to risks that are outside of its control – for example legal risks from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress; the risk of terrorist actions; the risk that economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Company could be substantial and adverse.

*Asian Local Bond Fund**Asian Tiger Bond Fund**Emerging Markets Bond Fund**Euro Bond Fund**Euro Corporate Bond Fund**Euro Reserve Fund**Euro Short Duration Bond Fund**Fixed Income Global Opportunities Fund**Global Corporate Bond Fund**Global Government Bond Fund**Global High Yield Bond Fund**Global Inflation Linked Bond Fund**Local Emerging Markets Bond Fund**Local Emerging Markets Short Duration Bond Fund**Renminbi Bond Fund**US Dollar Core Bond Fund**US Dollar Corporate Bond Fund**US Dollar High Yield Bond Fund**US Dollar Reserve Fund**US Dollar Short Duration Bond Fund**US Government Mortgage Fund**World Bond Fund**World Income Fund***Fixed Income Transferable Securities**

Debt securities are subject to both actual and perceived measures of creditworthiness. The “downgrading” of a rated debt security or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market.

A Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect a Fund’s asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer’s financial condition and the market value of debt securities issued by such entity. The issuer’s ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer’s inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Fund may experience losses and incur costs.

Non-investment grade debt may be highly leveraged and carry a greater risk of default. In addition, non-investment grade securities tend to be more volatile than higher rated fixed-income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed-income securities.

*Asian Local Bond Fund**Asian Tiger Bond Fund**Emerging Markets Bond Fund**Fixed Income Global Opportunities Fund**Global High Yield Bond Fund**Local Emerging Markets Bond Fund**Local Emerging Markets Short Duration Bond Fund**Renminbi Bond Fund**US Dollar High Yield Bond Fund**World Income Fund***Distressed Securities**

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

| Fund Name | Specific Risks |
|---|--|
| <i>Fixed Income Global Opportunities Fund</i> <i>Global Government Bond Fund</i> <i>Global High Yield Bond Fund</i> <i>Global Inflation Linked Bond Fund</i> <i>US Dollar Core Bond Fund</i> <i>US Dollar Corporate Bond Fund</i> <i>US Dollar High Yield Bond Fund</i> <i>US Dollar Short Duration Bond Fund</i> <i>US Government Mortgage Fund</i> <i>World Bond Fund</i> | <p>Distressed Securities cont.</p> <p>Some Funds may invest in securities of issuers that are encountering a variety of financial or earnings problems and represent distinct types of risks. A Fund's investments in equity or fixed income transferable securities of companies or institutions in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.</p> <hr/> <p>Delayed Delivery Transactions</p> <p>Funds that invest in fixed income transferable securities may purchase "To Be Announced" securities ("TBAs"). This refers to the common trading practice in the mortgage-backed securities market in which a security is to be bought from a mortgage pool (Ginnie Mae, Fannie Mae or Freddie Mac) for a fixed price at a future date. At the time of purchase the exact security is not known, but the main characteristics of it are specified. Although the price has been established at the time of purchase, the principal value has not been finalised. Purchasing a TBA involves a risk of loss if the value of the security to be purchased declines prior to the settlement date. Risks may also arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts.</p> <p>Although the Funds will generally enter into TBA purchase commitments with the intention of acquiring securities, the Funds may also dispose of a commitment prior to settlement if it is deemed appropriate to do so. Proceeds of TBA sales are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment (deliverable on or before the sale commitment date), are held as cover for the transaction.</p> <p>If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, the Fund realises a gain or loss on the commitment without regard to any unrealised gain or loss on the underlying security. If the Fund delivers securities under the commitment, the Fund realises a gain or loss from the sale of the securities upon the unit price established at the date the commitment was entered into.</p> |
| <i>Emerging Markets Bond Fund</i> <i>Euro Short Duration Bond Fund</i> <i>Fixed Income Global Opportunities Fund</i> <i>Global Corporate Bond Fund</i> <i>Global Government Bond Fund</i> <i>Global High Yield Bond Fund</i> <i>Global Inflation Linked Bond Fund</i> <i>Local Emerging Markets Short Duration Bond Fund</i> <i>US Dollar Reserve Fund</i> <i>US Government Mortgage Fund</i> <i>US Dollar High Yield Bond Fund</i> <i>World Bond Fund</i> <i>World Income Fund</i> | <p>Hedged Share Class</p> <p>While the Fund or its authorised agent may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the Fund and the Hedged Share Class.</p> <p>The hedging strategies may be entered into whether the Base Currency is declining or increasing in value relative to the relevant currency of the Hedged Share Class and so, where such hedging is undertaken it may substantially protect investors in the relevant Class against a decrease in the value of the Base Currency relative to the Hedged Share Class currency, but it may also preclude investors from benefiting from an increase in the value of the Base Currency.</p> <p>Hedged Share Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could further affect the volatility of the Hedged Share Class.</p> <p>All gains/losses or expenses arising from hedging transactions are borne separately by the shareholders of the respective Hedged Share Classes. Given that there is no segregation of liabilities between Share Classes, there is a remote risk that, under certain circumstances, currency hedging transactions in relation to one Share Class could result in liabilities which might affect the Net Asset Value of the other Share Classes of the same Fund.</p> |

| Fund Name | Specific Risks |
|---|---|
| <i>Asian Local Bond Fund</i> <i>Asian Tiger Bond Fund</i> <i>Emerging Markets Bond Fund</i> <i>Euro Bond Fund</i> <i>Euro Corporate Bond Fund</i> <i>Euro Reserve Fund</i> <i>Euro Short Duration Bond Fund</i> <i>Fixed Income Global Opportunities Fund</i> <i>Global Corporate Bond Fund</i> <i>Global Government Bond Fund</i> <i>Global High Yield Bond Fund</i> <i>Global Inflation Linked Bond Fund</i> <i>Local Emerging Markets Bond Fund</i> <i>Local Emerging Markets Short Duration Bond Fund</i> <i>Renminbi Bond Fund</i> <i>US Dollar Core Bond Fund</i> <i>US Dollar Corporate Bond Fund</i> <i>US Dollar High Yield Bond Fund</i> <i>US Dollar Reserve Fund</i> <i>US Dollar Short Duration Bond Fund</i> <i>US Government Mortgage Fund</i> <i>World Bond Fund</i> <i>World Income Fund</i> | <p>Derivatives – Bonds, Mixed Funds and certain Equity Funds</p> <p>These Funds may use derivatives to facilitate more complex efficient portfolio management techniques. In particular this may involve:</p> <ul style="list-style-type: none"> ▶ Using swap contracts to adjust interest rate risk; ▶ Using currency derivatives to buy or sell currency risk; ▶ Writing covered call options to generate additional income; ▶ Using credit default swaps to buy or sell credit risk; and ▶ Using volatility derivatives to adjust volatility risk. <p>Credit Default Swaps</p> <p>The use of credit default swaps may carry a higher risk than investing in bonds directly. A credit default swap allows the transfer of default risk. This allows investors to effectively buy insurance on a bond they hold (hedging the investment) or buy protection on a bond they do not physically own where the investment view is that the stream of coupon payments required will be less than the payments received due to the decline in credit quality. Conversely, where the investment view is that the payments due to decline in credit quality will be less than the coupon payments, protection will be sold by means of entering into a credit default swap. Accordingly, one party, the protection buyer, makes a stream of payments to the seller of protection, and a payment is due to the buyer in the event that there is a “credit event” (a decline in credit quality, which will be pre-defined in the agreement). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid.</p> <p>The market for credit default swaps may sometimes be more illiquid than bond markets. A Fund entering into credit default swaps must at all times be able to meet the redemption requests. Credit default swaps are valued on a regular basis according to verifiable and transparent valuation methods reviewed by the Company’s auditor.</p> <p>Volatility Derivatives</p> <p>The volatility of a security (or basket of securities) is a statistical measure of the speed and magnitude of changes in the price of a security (securities) over defined periods of time. Volatility derivatives are based on an underlying basket of shares, and Funds may use volatility derivatives to increase or reduce volatility risk, in order to express an investment view on the change in volatility, based on an assessment of expected developments in underlying securities markets. For example, if a significant change in the market background is expected, it is likely that the volatility of securities prices will increase as prices adapt to the new circumstances.</p> <p>The Funds may only buy or sell volatility derivatives which are based on an index where:</p> <ul style="list-style-type: none"> ▶ the composition of the index is sufficiently diversified; ▶ the index represents an adequate benchmark for the market to which it refers; and ▶ it is published in an appropriate manner. <p>The price of volatility derivatives may be highly volatile, and may move in a different way to the other assets of the Fund, which could have a significant effect on the Net Asset Value of a Fund’s Shares.</p> <p>Transfer of collateral</p> <p>In order to use derivatives the Funds will enter into arrangements with counterparties which may require the payment of collateral or margin out of a Fund’s assets to act as cover to any exposure by the counterparty to the Fund. If the title of any such collateral or margin transferred is transferred to the counterparty, it becomes an asset of such counterparty and may be used by the counterparty as part of its business. Collateral so transferred will not be held by the Custodian for safekeeping, but collateral positions will be overseen and reconciled by the Custodian. Counterparties appointed by the Fund are not entitled to rehypothecate the assets of the Fund.</p> |

| Fund Name | Specific Risks |
|--|---|
| <i>Asian Local Bond Fund</i> <i>Asian Tiger Bond Fund</i> <i>Emerging Markets Bond Fund</i> <i>Euro Corporate Bond Fund</i> <i>Fixed Income Global Opportunities Fund</i> <i>Global Corporate Bond Fund</i> <i>Global Inflation Linked Bond Fund</i> <i>Local Emerging Markets Bond Fund</i> <i>Local Emerging Markets Short Duration Bond Fund</i> <i>Renminbi Bond Fund</i> <i>World Income Fund</i> | <p>Emerging Markets & Sovereign Debt</p> <p>Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility.</p> <p>The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in lower liquidity and higher price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Fund's acquisition or disposal of securities.</p> <p>Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries maybe particularly significant. Another risk common to most developing countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and less developed financial systems also presents risks in certain countries, as do environmental problems.</p> <p>Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information by certain categories of investor.</p> <p>In certain emerging markets, registrars are not subject to effective government supervisions nor are they always independent from issuers. Investors should therefore be aware that the Funds concerned could suffer loss arising from these registration problems.</p> <p>Certain developing countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations ("Sovereign Debt") issued or guaranteed by developing governments or their agencies and instrumentalities ("governmental entities") involves a high degree of risk.</p> |
| <i>Asian Local Bond Fund</i> <i>Asian Tiger Bond Fund</i> <i>Emerging Markets Bond Fund</i> <i>Euro Corporate Bond Fund</i> <i>Fixed Income Global Opportunities Fund</i> <i>Global Corporate Bond Fund</i> <i>Global Inflation Linked Bond Fund</i> <i>Local Emerging Markets Bond Fund</i> <i>Local Emerging Markets Short Duration Bond Fund</i> <i>Renminbi Bond Fund</i> <i>World Income Fund</i> | <p>Restrictions on Foreign Investment</p> <p>Some countries prohibit or impose substantial restrictions on investments by foreign entities such as a Fund. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of a Fund.</p> |
| <i>All Funds</i> | <p>Financial Markets, Counterparties and Service Providers</p> <p>Firms may be exposed to finance sector companies which act as a service provider or as a counterparty for financial contracts. In times of extreme market volatility, such companies may be adversely affected, with a consequent adverse affect on the activities o f the Funds.</p> |

Appendix 3 – Summary of Charges & Expenses for Bond Funds

Please note the Total Expense Ratio (TER) figure includes the management fee, administration fee or administration fee subsidy, custody fee (excluding custody transaction costs), Luxembourg tax and distribution fee as at 31 August 2010.

Asian Local Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDSC % |
| Class A | 1.00 | 0.00 | N/A | 5.00 | 0.00 |
| Class C | 1.00 | 1.25 | N/A | 0.00 | 1.00 to 0.00 |
| Class D | 0.50 | 0.00 | N/A | 5.00 | 0.00 |
| Class E | 1.00 | 0.50 | N/A | 3.00 | 0.00 |
| Class I | 0.50 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | N/A | 0.00 | 0.00 |

Asian Tiger Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDSC % |
| Class A | 1.00 | 0.00 | 1.23 | 5.00 | 0.00 |
| Class B | 1.00 | 1.00 | 2.23 | 0.00 | 4.00 to 0.00 |
| Class C | 1.00 | 1.25 | 2.48 | 0.00 | 1.00 to 0.00 |
| Class D | 0.50 | 0.00 | N/A | 5.00 | 0.00 |
| Class E | 1.00 | 0.50 | 1.73 | 3.00 | 0.00 |
| Class I | 0.50 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class Q | 0.55 | 1.00 | 1.78 | 0.00 | 4.00 to 0.00 |
| Class X | 0.00 | 0.00 | N/A | 0.00 | 0.00 |

Emerging Markets Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDSC % |
| Class A | 1.25 | 0.00 | 1.49 | 5.00 | 0.00 |
| Class B | 1.25 | 1.00 | 2.49 | 0.00 | 4.00 to 0.00 |
| Class C | 1.25 | 1.25 | 2.74 | 0.00 | 1.00 to 0.00 |
| Class D | 0.65 | 0.00 | 0.88 | 5.00 | 0.00 |
| Class E | 1.25 | 0.50 | 1.99 | 3.00 | 0.00 |
| Class I | 0.65 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class Q | 0.55 | 1.00 | 1.78 | 0.00 | 4.00 to 0.00 |
| Class X | 0.00 | 0.00 | 0.07 | 0.00 | 0.00 |

Euro Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDSC % |
| Class A | 0.75 | 0.00 | 0.97 | 5.00 | 0.00 |
| Class B | 0.75 | 1.00 | 1.98 | 0.00 | 4.00 to 0.00 |
| Class C | 0.75 | 1.25 | 2.23 | 0.00 | 1.00 to 0.00 |
| Class D | 0.40 | 0.00 | 0.63 | 5.00 | 0.00 |
| Class E | 0.75 | 0.50 | 1.48 | 3.00 | 0.00 |
| Class I | 0.40 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class Q | 0.75 | 1.25 | 2.63 | 0.00 | 4.00 to 0.00 |
| Class X | 0.00 | 0.00 | 0.07 | 0.00 | 0.00 |

Euro Corporate Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDSC % |
| Class A | 0.90 | 0.00 | 1.17 | 5.00 | 0.00 |
| Class B | 0.90 | 1.00 | 2.18 | 0.00 | 4.00 to 0.00 |
| Class C | 0.90 | 1.25 | 2.45 | 0.00 | 1.00 to 0.00 |
| Class D | 0.45 | 0.00 | 0.73 | 5.00 | 0.00 |
| Class E | 0.90 | 0.50 | 1.68 | 3.00 | 0.00 |
| Class I | 0.45 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | 0.07 | 0.00 | 0.00 |

Euro Reserve Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDSC % |
| Class A | 0.45 | 0.00 | 0.54 | 0.00 | 0.00 |
| Class B | 0.45 | 0.00 | 0.54 | 0.00 | 0.00 |
| Class C | 0.45 | 0.00 | 0.54 | 0.00 | 0.00 |
| Class D | 0.25 | 0.00 | 0.36 | 0.00 | 0.00 |
| Class E | 0.45 | 0.25 | 0.79 | 0.00 | 0.00 |
| Class I | 0.25 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | N/A | 0.00 | 0.00 |

Euro Short Duration Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 0.75 | 0.00 | 0.80 | 5.00 | 0.00 |
| Class B | 0.75 | 1.00 | 1.80 | 0.00 | 4.00 to 0.00 |
| Class C | 0.75 | 1.25 | 2.06 | 0.00 | 1.00 to 0.00 |
| Class D | 0.40 | 0.00 | 0.45 | 5.00 | 0.00 |
| Class E | 0.75 | 0.50 | 1.31 | 3.00 | 0.00 |
| Class I | 0.40 | 0.00 | 0.47 | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class Q | 0.75 | 1.25 | N/A | 0.00 | 4.00 to 0.00 |
| Class X | 0.00 | 0.00 | 0.07 | 0.00 | 0.00 |

Fixed Income Global Opportunities Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 1.00 | 0.00 | 1.22 | 5.00 | 0.00 |
| Class B | 1.00 | 1.00 | 2.22 | 0.00 | 4.00 to 0.00 |
| Class C | 1.00 | 1.25 | 2.48 | 0.00 | 1.00 to 0.00 |
| Class D | 0.50 | 0.00 | 0.73 | 5.00 | 0.00 |
| Class E | 1.00 | 0.50 | 1.74 | 3.00 | 0.00 |
| Class I | 0.50 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | N/A | 0.00 | 0.00 |

Global Corporate Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 0.90 | 0.00 | 1.22 | 5.00 | 0.00 |
| Class C | 0.90 | 1.25 | N/A | 0.00 | 1.00 to 0.00 |
| Class D | 0.45 | 0.00 | 0.70 | 5.00 | 0.00 |
| Class E | 0.90 | 0.50 | 1.71 | 3.00 | 0.00 |
| Class I | 0.45 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | 0.06 | 0.00 | 0.00 |

Global Government Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 0.75 | 0.00 | 1.07 | 5.00 | 0.00 |
| Class B | 0.75 | 1.00 | 2.07 | 0.00 | 4.00 to 0.00 |
| Class C | 0.75 | 1.25 | 2.32 | 0.00 | 1.00 to 0.00 |
| Class D | 0.40 | 0.00 | 0.62 | 5.00 | 0.00 |
| Class E | 0.75 | 0.50 | 1.57 | 3.00 | 0.00 |
| Class I | 0.40 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class Q | 0.75 | 1.25 | 2.62 | 0.00 | 4.00 to 0.00 |
| Class X | 0.00 | 0.00 | 0.07 | 0.00 | 0.00 |

Global High Yield Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 1.25 | 0.00 | 1.42 | 5.00 | 0.00 |
| Class B | 1.25 | 1.00 | 2.43 | 0.00 | 4.00 to 0.00 |
| Class C | 1.25 | 1.25 | 2.68 | 0.00 | 1.00 to 0.00 |
| Class D | 0.65 | 0.00 | 0.82 | 5.00 | 0.00 |
| Class E | 1.25 | 0.50 | 1.93 | 3.00 | 0.00 |
| Class I | 0.65 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class Q | 1.25 | 1.25 | 2.83 | 0.00 | 4.00 to 0.00 |
| Class X | 0.00 | 0.00 | 0.06 | 0.00 | 0.00 |

Global Inflation Linked Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 0.75 | 0.00 | 1.07 | 5.00 | 0.00 |
| Class C | 0.75 | 1.25 | 2.33 | 0.00 | 1.00 to 0.00 |
| Class D | 0.40 | 0.00 | 0.66 | 5.00 | 0.00 |
| Class E | 0.75 | 0.50 | 1.58 | 3.00 | 0.00 |
| Class I | 0.40 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | 0.06 | 0.00 | 0.00 |

Local Emerging Markets Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 1.25 | 0.00 | N/A | 5.00 | 0.00 |
| Class C | 1.25 | 1.25 | N/A | 0.00 | 1.00 to 0.00 |
| Class D | 0.65 | 0.00 | N/A | 5.00 | 0.00 |
| Class E | 1.25 | 0.50 | N/A | 3.00 | 0.00 |
| Class I | 0.65 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | N/A | 0.00 | 0.00 |

Local Emerging Markets Short Duration Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 1.00 | 0.00 | 1.28 | 5.00 | 0.00 |
| Class B | 1.00 | 1.00 | 2.28 | 0.00 | 4.00 to 0.00 |
| Class C | 1.00 | 1.25 | 2.53 | 0.00 | 1.00 to 0.00 |
| Class D | 0.50 | 0.00 | 0.78 | 5.00 | 0.00 |
| Class E | 1.00 | 0.50 | 1.79 | 3.00 | 0.00 |
| Class I | 0.50 | 0.00 | 0.70 | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class Q | 0.55 | 1.00 | 1.83 | 0.00 | 4.00 to 0.00 |
| Class X | 0.00 | 0.00 | 0.12 | 0.00 | 0.00 |

Renminbi Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|----------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 0.75 | 0.00 | N/A | 5.00 | 0.00% |
| Class C | 0.75 | 1.25 | N/A | 0.00 | 1.00% to 0.00% |
| Class D | 0.40 | 0.00 | N/A | 5.00 | 0.00% |
| Class E | 0.75 | 0.50 | N/A | 3.00 | 0.00% |
| Class I | 0.40 | 0.00 | N/A | 0.00 | 0.00% |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00% |
| Class X | 0.00 | 0.00 | N/A | 0.00 | 0.00% |

US Dollar Core Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 0.85 | 0.00 | 1.07 | 5.00 | 0.00 |
| Class B | 0.85 | 1.00 | 2.07 | 0.00 | 4.00 to 0.00 |
| Class C | 0.85 | 1.25 | 2.32 | 0.00 | 1.00 to 0.00 |
| Class D | 0.45 | 0.00 | N/A | 5.00 | 0.00 |
| Class E | 0.85 | 0.50 | 1.57 | 3.00 | 0.00 |
| Class I | 0.45 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class Q | 0.65 | 1.00 | 1.87 | 0.00 | 4.00 to 0.00 |
| Class X | 0.00 | 0.00 | 0.06 | 0.00 | 0.00 |

US Dollar Corporate Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 1.00 | 0.00 | N/A | 5.00 | 0.00 |
| Class C | 1.00 | 1.25 | N/A | 0.00 | 1.00 to 0.00 |
| Class D | 0.50 | 0.00 | N/A | 5.00 | 0.00 |
| Class E | 1.00 | 0.50 | N/A | 3.00 | 0.00 |
| Class I | 0.50 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | N/A | 0.00 | 0.00 |

US Dollar High Yield Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 1.25 | 0.00 | 1.36 | 5.00 | 0.00 |
| Class B | 1.25 | 1.00 | 2.36 | 0.00 | 4.00 to 0.00 |
| Class C | 1.25 | 1.25 | 2.62 | 0.00 | 1.00 to 0.00 |
| Class D | 0.65 | 0.00 | N/A | 5.00 | 0.00 |
| Class E | 1.25 | 0.50 | 1.87 | 3.00 | 0.00 |
| Class I | 0.65 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class Q | 0.55 | 0.75 | 1.52 | 0.00 | 4.00 to 0.00 |
| Class X | 0.00 | 0.00 | 0.06 | 0.00 | 0.00 |

US Dollar Reserve Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 0.45 | 0.00 | 0.37 | 0.00 | 0.00 |
| Class B | 0.45 | 0.00 | 0.36 | 0.00 | 0.00 |
| Class C | 0.45 | 0.00 | 0.36 | 0.00 | 0.00 |
| Class D | 0.25 | 0.00 | N/A | 0.00 | 0.00 |
| Class E | 0.45 | 0.25 | 0.61 | 0.00 | 0.00 |
| Class I | 0.25 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | N/A | 0.00 | 0.00 |

US Dollar Short Duration Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 0.75 | 0.00 | 0.82 | 5.00 | 0.00 |
| Class B | 0.75 | 1.00 | 1.82 | 0.00 | 4.00 to 0.00 |
| Class C | 0.75 | 1.25 | 2.08 | 0.00 | 1.00 to 0.00 |
| Class D | 0.40 | 0.00 | N/A | 5.00 | 0.00 |
| Class E | 0.75 | 0.50 | 1.32 | 3.00 | 0.00 |
| Class I | 0.40 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | 0.06 | 0.00 | 0.00 |

US Government Mortgage Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 0.75 | 0.00 | 1.03 | 5.00 | 0.00 |
| Class B | 0.75 | 1.00 | 2.03 | 0.00 | 4.00 to 0.00 |
| Class C | 0.75 | 1.25 | 2.28 | 0.00 | 1.00 to 0.00 |
| Class D | 0.40 | 0.00 | 0.55 | 5.00 | 0.00 |
| Class E | 0.75 | 0.50 | 1.55 | 3.00 | 0.00 |
| Class I | 0.40 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class Q | 0.75 | 0.75 | 1.97 | 0.00 | 4.00 to 0.00 |
| Class X | 0.00 | 0.00 | N/A | 0.00 | 0.00 |

World Bond Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDCS % |
| Class A | 0.85 | 0.00 | 1.07 | 5.00 | 0.00 |
| Class B | 0.85 | 1.00 | 2.08 | 0.00 | 4.00 to 0.00 |
| Class C | 0.85 | 1.25 | 2.33 | 0.00 | 1.00 to 0.00 |
| Class D | 0.45 | 0.00 | 0.67 | 5.00 | 0.00 |
| Class E | 0.85 | 0.50 | 1.58 | 3.00 | 0.00 |
| Class I | 0.45 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | N/A | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | 0.07 | 0.00 | 0.00 |

World Income Fund

| | Payable by Fund | | | Payable by investor | |
|---------|------------------|--------------------|-------|---------------------|--------------|
| | Management Fee % | Distribution Fee % | TER % | Initial charge % | CDS % |
| Class A | 0.85 | 0.00 | 1.07 | 5.00 | 0.00 |
| Class B | 0.85 | 1.00 | 2.08 | 0.00 | 4.00 to 0.00 |
| Class C | 0.85 | 1.25 | 2.33 | 0.00 | 1.00 to 0.00 |
| Class D | 0.45 | 0.00 | 0.62 | 5.00 | 0.00 |
| Class E | 0.85 | 0.50 | 1.58 | 3.00 | 0.00 |
| Class I | 0.45 | 0.00 | N/A | 0.00 | 0.00 |
| Class J | 0.00 | 0.00 | 0.06 | 0.00 | 0.00 |
| Class X | 0.00 | 0.00 | 0.07 | 0.00 | 0.00 |

Summary of Subscription Procedure and Payment Instructions

1. Application Form

For initial subscriptions for Shares you must complete the application form which may be obtained from the Transfer Agent or the local Investor Servicing teams and the form must be signed by all joint applicants. Subsequent subscriptions may be made in writing or by fax or telephone, stating your registration details and the amount to be invested. If your application is being submitted by your professional adviser, the 'Professional Adviser's Details' section of the application form should be completed. Completed application forms must be sent to the Transfer Agent or the local Investor Servicing teams.

2. Money Laundering Prevention

Please read the notes on the application form regarding the identification documents required and ensure that you provide these to the Transfer Agent or the local Investor Servicing teams together with your application form.

3. Payment

A copy of your telegraphic transfer instructions should be supplied with your application (see sections 4 & 5 below).

4. Payment by Telegraphic Transfer

Payment by SWIFT/bank transfer in the relevant currency should be made to one of the accounts opposite. The SWIFT/bank transfer instruction should contain the following information:

- (i) Bank Name
- (ii) SWIFT Code or Bank Identifier
- (iii) Account
- (iv) Account Number
- (v) Account Reference – "BGF – Fund name subscribed into"
- (vi) By order of Shareholder name/agent name & Shareholder number/agent number

5. Foreign Exchange

If you wish to make payment in a currency other than that in the Dealing Currency (or one of the Dealing Currencies) of your chosen Fund, this must be made clear at the time of application.

Bank Details

US Dollars:

JP Morgan Chase New York
SWIFT code CHASUS33
For the account of: BlackRock (Channel Islands) Limited
Account Number 001-1-460185, CHIPS UID 359991
ABA Number 021000021
Quoting Reference "Name of Fund – Name of Applicant"

Euros:

JP Morgan Frankfurt
SWIFT code CHASDEFX, BLZ 501 108 00
For the account of: BlackRock (Channel Islands) Limited
Account Number (IBAN) DE40501108006161600066
(formerly 616-16-00066)
Quoting Reference "Name of Fund – Name of Applicant"
An applicant's obligation to pay for Shares is fulfilled once the amount due has been paid in cleared funds into this account.

Sterling:

JP Morgan London
SWIFT code CHASGB2L, Sort Code 60-92-42
For the account of: BlackRock (Channel Islands) Limited
Account Number (IBAN) GB07CHAS60924211118940
(formerly 11118940)
Quoting Reference "Name of Fund – Name of Applicant"

Others:

Australian Dollars:

Pay ANZ National Bank Limited Sydney
SWIFT code ANZBAU3M
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB56CHAS60924224466325
Ref: "Name of Fund – Name of Applicant"

Hong Kong Dollars:

Pay JP Morgan Hong Kong
SWIFT code CHASHKHH
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB24CHAS60924224466319
(formerly 24466319)
Ref: "Name of Fund – Name of Applicant"

Japanese Yen:

Pay JP Morgan Tokyo
SWIFT code CHASJPJT
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB69CHAS60924222813405
(formerly 22813405)
Ref: "Name of Fund – Name of Applicant"

New Zealand Dollars:

Pay Westpac Banking Corporation Wellington
SWIFT code WPACNZ2W
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB83CHAS60924224466324
Ref: "Name of Fund – Name of Applicant"

Singapore Dollars:

Pay Overseas Chinese Banking Corp Ltd
SWIFT code OCBCSGSG
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB13CHAS60924224466323
Ref: "Name of Fund – Name of Applicant"

Swedish Kroner:

Pay Svenska Handelsbanken Stockholm
SWIFT code HANDSESS
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB80CHAS60924222813401
(formerly 22813401)
Ref: "Name of Fund – Name of Applicant"

Swiss Francs:

Pay UBS Zürich
SWIFT code UBSWCHZH80A
In favour of JP Morgan Bank London
SWIFT CODE CHASGB2L
For the account of BlackRock (Channel Islands) Ltd
Account Number (IBAN) GB56CHAS60924217354770
(formerly 17354770)
Ref: "Name of Fund – Name of Applicant"

FOR MORE INFORMATION
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BLACKROCK