

**BLACKROCK INVESTMENT FUNDS SWITZERLAND**

PROSPECTUS (with integrated Fund Contract)

November 2023

**BlackRock**<sup>®</sup>

**BlackRock Investment Funds Switzerland**

**Umbrella Fund under Swiss Law of the Type “Other Funds for Traditional Investments”**

**Prospectus with Integrated Fund Contract**

November 2023

Distribution in Switzerland

An investment fund established by BlackRock Asset Management Schweiz AG, Zurich and State Street Bank International GmbH, Munich, Zurich Branch.

**Fund Management Company**

BlackRock Asset Management Schweiz AG

Bahnhofstrasse 39, CH-8001 Zurich

**Custodian Bank**

State Street Bank International GmbH, Munich, Zurich Branch

Beethovenstrasse 19, CH-8027 Zurich

This English translation is only an unofficial translation of the German language text of the Prospectus with integrated Fund Contract. According to § 28 cipher 2 of this Prospectus with integrated Fund Contract, only the German language version shall be binding for the interpretation of the Prospectus with integrated Fund Contract.

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## Part 1: Prospectus

This prospectus with integrated fund contract, the key information document (KID) or equivalent and the most recent annual or semi-annual report (if published after the latest annual report) serve as the basis for all subscriptions of units in the sub-funds.

Only the information contained in the prospectus, the key information document (KID) or equivalent and the fund contract will be deemed to be valid. BlackRock Asset Management Schweiz AG as the fund management company (the "**Fund Management Company**"), is responsible for the content of this prospectus and declares that, according to their knowledge, the information contained in this prospectus is accurate and no material facts have been omitted.

## 1 Information on the Umbrella Fund and the Sub-funds

### 1.1 Establishment of the Umbrella Fund and the Sub-funds in Switzerland

The Fund Contract of the BlackRock Investment Funds Switzerland ("**BIFS**" or the "**Fund**") is divided into the following sub-funds:

- a) iShares World ex Switzerland Equity Index Fund (CH)\*
- b) iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH)
- c) iShares Emerging Markets Equity Index Fund (CH)
- d) BlackRock US Dollar Liquidity Fund (CH)
- e) iShares SPI® Equity Index Fund (CH)
- f) iShares SMI® Equity Index Fund (CH)
- g) iShares SBI® ESG AAA-BBB Bond Index Fund (CH)
- h) iShares Emerging Markets Bond Index Fund (CH)
- i) iShares Japan Equity Index Fund (CH)
- j) iShares World ex Switzerland ESG Screened Equity Index Fund (CH)\*
- k) iShares World ex Switzerland Equity Index Fund II (CH)
- l) BlackRock Systematic Australian Equity Fund
- m) iShares SPI® Equity Index Fund NoL (CH)

\* with tax transparent unit classes limited to Swiss pension funds who qualify as qualified investors pursuant to Art. 10 para. 3 CISA in connection with Art. 4 para. 3 lit. f FinSA.

The Fund Contract was drawn up by BlackRock Asset Management Schweiz AG as Fund Management Company and submitted to the Swiss Financial Market Supervisory Authority FINMA with the consent of State Street Bank International GmbH, Munich, Zurich Branch, as custodian bank (the "**Custodian Bank**"). The Fund Contract was first approved by FINMA in July 2014 as a contractual umbrella fund under Swiss law of the type "Other Funds for Traditional Investments" for qualified investors.

The sub-funds are subject to the usual market fluctuations. Historical performance is no guarantee of the sub-funds' future returns. Please refer to cipher 1.14, "Risk Factors", for further information.

### 1.2 Tax Regulations Relevant to the Sub-funds

#### 1.2.1 Reclaims of Withholding Tax by the Funds / Investors

The umbrella fund and the sub-funds have no legal personality in Switzerland. They are not subject to tax on domestic income or capital. The Swiss federal withholding tax deducted from the sub-funds' domestic income can be reclaimed in full for the sub-funds by the Fund Management Company.

Foreign income and capital gains may be subject to the relevant withholding tax in the country of the investment. To the extent possible and feasible with reasonable effort, these taxes will be reclaimed by the sub-fund on the basis of double taxation agreements or similar agreements for investors with domicile in Switzerland.

Net income retained and reinvested by the sub-funds is subject to Swiss federal withholding tax (source tax) at 35%.

Investors domiciled in Switzerland may reclaim the deducted withholding tax via their tax returns or by submitting a separate refund application. Investors domiciled outside Switzerland may reclaim withholding tax under the terms of any double taxation treaty between Switzerland and their country of domicile. If no such treaty exists, then the withholding tax may not be reclaimed. Investors domiciled abroad who benefit from the affidavit process will be credited the withholding tax on presentation of the declaration of domicile, provided at least 80% of the sub-fund's income originates from foreign source. This is subject to presentation of confirmation from a bank stating that the units in question are held at the bank in the custody account of an investor domiciled outside Switzerland, and that the distributions of income are credited to this investor's account (declaration of domicile / affidavit). No guarantee can be given that at least 80% of a sub-fund's income originates from foreign sources. Distributions of income made by the sub-funds are subject to Swiss federal withholding tax (source tax) at 35%. Any capital gains paid on a separate coupon are not subject to withholding tax. Investors domiciled in Switzerland may reclaim the deducted withholding tax via their tax returns or by submitting a separate refund application. Investors domiciled outside Switzerland may reclaim withholding tax under the terms of any double taxation treaty between Switzerland and their country of domicile. If no such treaty exists, then the withholding tax may not be reclaimed. Distributions of income to investors domiciled outside Switzerland are made free of Swiss withholding tax, provided at least 80% of the sub-fund's income originates from foreign sources. This is subject to presentation of confirmation from a bank stating that the units in question are held at the bank in the custody account of an investor domiciled outside Switzerland, and that the distributions of income are credited to this investor's account (bank declaration / affidavit). No guarantee can be given that at least 80% of a sub-fund's income originates from foreign sources. If withholding tax is charged to an investor domiciled outside Switzerland owing to a failure to present a declaration of domicile, under Swiss law they may submit a refund application directly to the Swiss Federal Tax Administration in Berne.

The issuing and redemption of units in the fund are exempt from stamp duty.

Furthermore, both earnings and capital gains, whether distributed or reinvested, and depending on the person who holds the units either directly or indirectly, may be subject wholly or in part to a so-called paying agency tax (e.g. compensatory withholding tax, EU savings tax, or Foreign Account Tax Compliance Act FATCA).

This tax information is based on the current legal situation and practice in Switzerland. It is subject to changes in legislation, the decisions of the courts and the decrees and practices of the tax authorities.

**Taxation and other tax implications for investors who hold, buy or sell fund units are defined by the tax laws and regulations in the investor's country of domicile. For information on such matters, investors should consult their tax advisor.**

The tax status of the umbrella fund and the sub-funds is as follows:

International automatic exchange of information in tax matters (automatic exchange of information):

For the purposes of the automatic exchange of information in accordance with the Common Standard on Reporting and Due Diligence for Financial Account Information (CRS) of the Organisation for Economic Co-Operation And Development (OECD), the umbrella fund respectively the sub-funds are registered with the Swiss Federal Tax Administration (FTA) as reporting financial institution.

### 1.2.2 FATCA and other cross border reporting systems

The sub-funds are classified as "registered deemed compliant collective investment vehicles (CIV)" within the meaning of the agreement between Switzerland and the United States on cooperation to simplify the implementation of FATCA "Swiss/US IGA". The Fund Management Company (Fondsleitung) is registered with the US tax authorities as registered deemed compliant foreign financial institution ("FFI") pursuant to the US-Swiss Agreement to Improve International Tax Compliance and to Implement FATCA (the "US-Swiss IGA"). The Custodian Bank is registered with the US tax authorities as a participating foreign financial institution ("PFFI") pursuant to the US-Swiss IGA and pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code, including the corresponding rulings. The US-Swiss IGA was entered into with the intention of enabling the Swiss implementation of the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act ("FATCA"), which impose a new reporting regime and potentially a 30% withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets to certain categories of recipient including a non-US financial institution (a "foreign financial institution" or "FFI") that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions ("reporting financial institutions") are required to provide certain information about their US accountholders to the US Internal Revenue Service pursuant to the terms of an FFI Agreement (as defined in the US-Swiss IGA, which has been implemented by Swiss regulations). The umbrella fund will constitute a reporting financial institution for these purposes. Accordingly, the umbrella fund will be required to enter into and comply with the terms of an FFI Agreement (as defined in the US-Swiss IGA), including the requirement to provide certain information about its US investors to the US Internal Revenue Service. It is the intention of the umbrella fund and the Fund Management Company to procure that the umbrella fund complies with the terms of FATCA by entering into and complying with the terms of an FFI Agreement (as defined in the US-Swiss IGA) and all other terms of the reporting system contemplated by the US-Swiss IGA. No assurance can, however, be provided that the umbrella fund would be able to comply with FATCA and, in the event that it is not able to do so, a 30% withholding tax may be imposed on payments it receives from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to it to make payments to its investors.

Switzerland and a number of other jurisdictions have entered into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD), pursuant to which certain financial institutions (also described as "reporting financial institutions") will be required to provide certain information to their local tax authorities about accountholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities). If such arrangements are implemented into Swiss law, it is currently expected that the umbrella fund would constitute a reporting financial institution for these purposes.

In light of the above, investors in the umbrella fund will be required to provide certain information to the umbrella fund to comply with the terms of the reporting systems. Please note that the Fund Management Company has determined that US persons are not permitted to own units in the umbrella fund.

All refunds arising from look-through withholding tax reclaims are filed separately on behalf of the unitholders of the respective tax transparent unit classes. However, given that there is no segregation of income within unit classes, there is a risk that reclaims may not be filed for one unitholder under certain circumstances, which might affect the net asset value of the other unitholders of the same unit class.

## 1.3 Financial year

The financial year lasts from 1 August to 31 July (applies to all sub-funds).

## 1.4 Auditor

The auditor is Deloitte AG, Zurich.

## 1.5 Units

Units will not take the form of actual certificates but will exist purely as book entries (please refer to § 6 cipher 5 of the fund contract for further information).

The sub-funds are divided into unit classes. At the date of this prospectus, the unit classes below have been approved and can be introduced for the respective sub-funds.

The following table provides a reference guide of the characters used in the unit class naming convention. For a full description of the individual share classes, see the list below the table.

Unit Class:	Available to:
D	All types of investors domiciled in Switzerland, except for unit classes denoted by the letters 'NT'.
I	Qualified investors domiciled in Switzerland, except for unit classes denoted by the letters 'NT'. Minimum investment USD 20 million.
S	Qualified investors. Minimum investment USD 100 million.
X	Qualified investors domiciled in Switzerland, except for unit classes denoted by the letters 'NT'. Additional agreement. The consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.
Y	Qualified investors domiciled in Switzerland, except for unit classes denoted by the letters 'NT'. Additional agreements. The consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund).
Z	Seed/early-stage investors domiciled in Switzerland, except for unit classes denoted by the letters 'NT'.
<b>Unit Class Denotation:</b>	
H	Unit classes that apply a currency hedging strategy against their reference currency are denoted by the letter 'H' e.g. 'I H-CHF'
A	Unit classes that are distributing are denoted by the letter 'A' e.g. 'I A CHF' (all other share classes are accumulating)

N	Unit classes that are solely available to investors who fulfill the prerequisites for a reporting procedure pursuant to Art. 38a of the Federal Withholding Tax Ordinance (VStV).
NT	Unit classes that are also available to investors domiciled outside Switzerland are denoted by the letters 'NT' e.g. 'I NT CHF' (This does not apply to unit classes denoted by the letter 'S' which are, by default, also open for investors domiciled outside Switzerland).
SD	Unit classes that provide settlement on the relevant order day (Same Day).
0	Unit classes that are solely available to investors who are entitled to full relief from US withholding tax on US dividends are denoted by the number '0' e.g. 'I0 CHF'.
1	Unit classes that are solely available to investors who are Swiss pension funds are denoted by the number '1' e.g. 'I1 CHF'.
10	Unit classes that are solely available to investors who are entitled to partial relief from Japan withholding tax on Japan dividends are denoted by the number '10' e.g. 'I10 CHF'.
15	Unit classes that are solely available to investors who are entitled to partial relief from US withholding tax on US dividends are denoted by the number '15' e.g. 'I15 CHF'.
CHF	Unit classes where the reference currency is Swiss Franc are denoted by the letters 'CHF', e.g. 'I CHF'
EUR	Unit classes where the reference currency is Euro are denoted by the letters 'EUR', e.g. 'I H-EUR'
JPY	Unit classes where the reference currency is Japanese Yen are denoted by the letters 'JPY', e.g. 'I JPY'
USD	Unit classes where the reference currency is US Dollar are denoted by the letters 'USD', e.g. 'I USD'
AUD	Unit classes where the reference currency is Australian Dollar are denoted by the letters 'AUD', e.g. 'I AUD'

D Unit Classes

<b>D CHF</b>	Accumulating and open to all types of investors domiciled in Switzerland. The reference currency of this unit class is Swiss Francs.
<b>D USD</b>	Accumulating and open to all types of investors domiciled in Switzerland. The reference currency of this unit class is US Dollars.
<b>D JPY</b>	Accumulating and open to all types of investors domiciled in Switzerland. The reference currency of this unit class is Japanese Yen.
<b>D AUD</b>	Accumulating and open to all types of investors domiciled in Switzerland. The reference currency of this unit class is Australian Dollar.
<b>D H-CHF</b>	Accumulating and open to all types of investors domiciled in Switzerland. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Swiss Francs.
<b>D H-EUR</b>	Accumulating and open to all types of investors domiciled in Switzerland. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Euro.
<b>D H-USD</b>	Accumulating and open to all types of investors domiciled in Switzerland. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is US Dollars.
<b>D NT CHF</b>	Accumulating and open to all types of investors. The reference currency of this unit class is Swiss Francs.
<b>D NT USD</b>	Accumulating and open to all types of investors. The reference currency of this unit class is US Dollars.
<b>D A USD</b>	Distributing and open to all types of investors domiciled in Switzerland. The reference currency of this unit class is US Dollars.
<b>D NT A CHF</b>	Distributing and open to all types of investors. The reference currency of this unit class is Swiss Francs.
<b>D NT A USD</b>	Distributing and open to all types of investors. The reference currency of this unit class is US Dollars.

I Unit Classes

<b>I CHF</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 20 million. The reference currency of this unit class is Swiss Francs.
<b>I USD</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 20 million. The reference currency of this unit class is US Dollars.
<b>I JPY</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 20 million. The reference currency of this unit class is Japanese Yen.
<b>I AUD</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 20 million. The reference currency of this unit class is Australian Dollar.
<b>I H-CHF</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 20 million. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Swiss Francs.

- I H-EUR** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA. Minimum investment is USD 20 million. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Euro.
- I H-USD** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA. Minimum investment is USD 20 million. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is US Dollars.
- I0 CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Minimum investment is USD 20 million. The reference currency of this unit class is Swiss Francs.
- I0 H-CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Minimum investment is USD 20 million. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Swiss Francs.
- I0 USD** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Minimum investment is USD 20 million. The reference currency of this unit class is US Dollars.
- I1 CHF** Accumulating and limited to Swiss pension funds who qualify as qualified investors pursuant to Art. 10 para. 3 CISA in connection with Art. 4 para. 3 lit. f FinSA and are fully tax documented for all markets where tax transparency is achieved. Minimum investment is USD 20 million. The Fund Management Company will inform investors as to required documentation at the point of investment. The reference currency of this unit class is Swiss Francs.
- I1 H-CHF** Accumulating and limited to Swiss pension funds who qualify as qualified investors pursuant to Art. 10 para. 3 CISA in connection with Art. 4 para. 3 lit. f FinSA and are fully tax documented for all markets where tax transparency is achieved. Minimum investment is USD 20 million. The Fund Management Company will inform investors as to required documentation at the point of investment. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Swiss Francs.
- I10 CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA, who meet the eligibility criteria in Art. 22 A(2)(c) and (d) of the Switzerland Japan Double Taxation Agreement and are entitled to partial relief from Japan withholding tax on Japan dividends (10% applicable withholding tax rate, as at the date of the prospectus). Further to the criteria outlined in Art. 22 A(2)(c) and (d), additional investors may be eligible for partial relief which will require verification both from a technical and operational perspective before any investment can be made. Minimum investment is USD 20 million. The reference currency of this unit class is Swiss Francs.
- I10 H-CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA, who meet the eligibility criteria in Art. 22 A(2)(c) and (d) of the Switzerland Japan Double Taxation Agreement and are entitled to partial relief from Japan withholding tax on Japan dividends (10% applicable withholding tax rate, as at the date of the prospectus). Further to the criteria outlined in Art. 22 A(2)(c) and (d), additional investors may be eligible for partial relief which will require verification both from a technical and operational perspective before any investment can be made. Minimum investment is USD 20 million. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Swiss Francs.
- I15 CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). Minimum investment is USD 20 million. The reference currency of this unit class is Swiss Francs.
- I15 USD** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). Minimum investment is USD 20 million. The reference currency of this unit class is US Dollars.
- I15 H-CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). Minimum investment is USD 20 million. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Swiss Francs.
- I A CHF** Distributing and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA. Minimum investment is USD 20 million. The reference currency of this unit class is Swiss Francs.
- I A USD** Distributing and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA. Minimum investment is USD 20 million. The reference currency of this unit class is US Dollars.



<b>I NT A CHF</b>	Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 20 million. The reference currency of this unit class is Swiss Francs.
<b>I NT A USD</b>	Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 20 million. The reference currency of this unit class is US Dollars.
<b>I NT CHF</b>	Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 20 million. The reference currency of this unit class is Swiss Francs.
<b>I NT USD</b>	Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 20 million. The reference currency of this unit class is US Dollars.

S Unit Classes

<b>S CHF</b>	Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 100 million. The reference currency of this unit class is Swiss Francs.
<b>S USD</b>	Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 100 million. The reference currency of this unit class is US Dollars.
<b>S A CHF</b>	Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 100 million. The reference currency of this unit class is Swiss Francs.
<b>S A USD</b>	Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 100 million. The reference currency of this unit class is US Dollars.
<b>S SD USD</b>	Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 100 million. This unit class provides settlement on the relevant order day (Same Day). The reference currency of this unit class is US Dollars.
<b>S SD A USD</b>	Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA. Minimum investment is USD 100 million. This unit class provides settlement on the relevant order day (Same Day). The reference currency of this unit class is US Dollars.

X Unit Classes

<b>X CHF</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
<b>X N CHF</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 CISA as well as collective investment schemes incl. single investor funds established under Swiss law where investors are eligible qualified investors domiciled in Switzerland in accordance with Art. 5 para. 4 CISO who qualify as a tax-exempt domestic institution of occupational pensions, tied pensions, vested benefits institution or social insurance and compensation funds or public life insurance subject to the supervision of the federal government or domestic public life insurance, provided that they fulfill the prerequisites for a reporting procedure pursuant to Article 38a of the Federal Withholding Tax Ordinance (VStV) and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
<b>X USD</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is US Dollars.
<b>X N USD</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 CISA as well as collective investment schemes incl. single investor funds established under Swiss law where investors are eligible qualified investors domiciled in Switzerland in accordance with Art. 5 para. 4 CISO who qualify as a tax-exempt domestic institution of occupational pensions, tied pensions, vested benefits institution or social insurance and compensation funds or public life insurance subject to the supervision of the federal government or domestic public life insurance, provided that they fulfill the prerequisites for a reporting procedure pursuant to Article 38a of the Federal Withholding Tax Ordinance (VStV) and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is US Dollars.
<b>X H-CHF</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
<b>X H-EUR</b>	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3 <sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and

income) are denominated are generally hedged against the reference currency of the unit class. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Euro.

- X H-USD** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is US Dollars.
- X0 CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- X0 USD** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is US Dollars.
- X0 N CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 CISA as well as collective investment schemes incl. single investor funds established under Swiss law where investors are eligible qualified investors domiciled in Switzerland in accordance with Art. 5 para. 4 CISO who qualify as a tax-exempt domestic institution of occupational pensions, tied pensions, vested benefits institution or social insurance and compensation funds or public life insurance subject to the supervision of the federal government or domestic public life insurance, provided that they fulfill the prerequisites for a reporting procedure pursuant to Article 38a of the Federal Withholding Tax Ordinance (VStV) and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- X0 N USD** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 CISA as well as collective investment schemes incl. single investor funds established under Swiss law where investors are eligible qualified investors domiciled in Switzerland in accordance with Art. 5 para. 4 CISO who qualify as a tax-exempt domestic institution of occupational pensions, tied pensions, vested benefits institution or social insurance and compensation funds or public life insurance subject to the supervision of the federal government or domestic public life insurance, provided that they fulfill the prerequisites for a reporting procedure pursuant to Article 38a of the Federal Withholding Tax Ordinance (VStV) and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is US Dollars.
- X0 H-CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- X1 CHF** Accumulating and limited to Swiss pension funds who qualify as qualified investors pursuant to Art. 10 para. 3 CISA in connection with Art. 4 para. 3 lit. f FinSA and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who are fully tax documented for all markets where tax transparency is achieved. The Fund Management Company will inform investors as to required documentation at the point of investment. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- X1 H-CHF** Accumulating and limited to Swiss pension funds who qualify as qualified investors pursuant to Art. 10 para. 3 CISA in connection with Art. 4 para. 3 lit. f FinSA and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who are fully tax documented for all markets where tax transparency is achieved. The Fund Management Company will inform investors as to required documentation at the point of investment. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. Subject to the

relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.

- X10 CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group, who meet the eligibility criteria in Art. 22 A(2)(c) and (d) of the Switzerland Japan Double Taxation Agreement and are entitled to partial relief from Japan withholding tax on Japan dividends (10% applicable withholding tax rate, as at the date of the prospectus). Further to the criteria outlined in Art. 22 A(2)(c) and (d), additional investors may be eligible for partial relief which will require verification both from a technical and operational perspective before any investment can be made. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- X10 H-CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group, who meet the eligibility criteria in Art. 22 A(2)(c) and (d) of the Switzerland Japan Double Taxation Agreement and are entitled to partial relief from Japan withholding tax on Japan dividends (10% applicable withholding tax rate, as at the date of the prospectus). Further to the criteria outlined in Art. 22 A(2)(c) and (d), additional investors may be eligible for partial relief which will require verification both from a technical and operational perspective before any investment can be made. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- X15 CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- X15 USD** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is US Dollars.
- X15 H-CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- X NT USD** Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is US Dollars.
- X A USD** Distributing and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is US Dollars.
- X NT A CHF** Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Franc.
- X NT A USD** Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is US Dollars.

Y Unit Classes  
**Y CHF**

Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant

agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.

- Y N CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 CISA as well as collective investment schemes incl. single investor funds established under Swiss law where investors are eligible qualified investors domiciled in Switzerland in accordance with Art. 5 para. 4 CISO who qualify as a tax-exempt domestic institution of occupational pensions, tied pensions, vested benefits institution or social insurance and compensation funds or public life insurance subject to the supervision of the federal government or domestic public life insurance, provided that they fulfill the prerequisites for a reporting procedure pursuant to Article 38a of the Federal Withholding Tax Ordinance (VStV) and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- Y USD** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is US Dollars.
- Y H-CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Swiss Francs.
- Y H-EUR** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Euro.
- Y H-USD** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is US Dollars.
- Y0 CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- Y0 H-CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Swiss Francs.
- Y1 CHF** Accumulating and limited to Swiss pension funds who qualify as qualified investors pursuant to Art. 10 para. 3 CISA in connection with Art. 4 para. 3 lit. f FinSA and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who are fully tax documented for all markets where tax transparency is achieved. The Fund Management Company will inform investors as to required documentation at the point of investment. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- Y1 H-CHF** Accumulating and limited to Swiss pension funds who qualify as qualified investors pursuant to Art. 10 para. 3 CISA in connection with Art. 4 para. 3 lit. f FinSA and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who are fully tax documented for all markets where tax transparency is achieved. The Fund Management Company will inform investors as to required documentation at the point of investment. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Swiss Francs.

- Y10 CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group, who meet the eligibility criteria in Art. 22 A(2)(c) and (d) of the Switzerland Japan Double Taxation Agreement and are entitled to partial relief from Japan withholding tax on Japan dividends (10% applicable withholding tax rate, as at the date of the prospectus). Further to the criteria outlined in Art. 22 A(2)(c) and (d), additional investors may be eligible for partial relief which will require verification both from a technical and operational perspective before any investment can be made. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- Y10 H-CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group, who meet the eligibility criteria in Art. 22 A(2)(c) and (d) of the Switzerland Japan Double Taxation Agreement and are entitled to partial relief from Japan withholding tax on Japan dividends (10% applicable withholding tax rate, as at the date of the prospectus). Further to the criteria outlined in Art. 22 A(2)(c) and (d), additional investors may be eligible for partial relief which will require verification both from a technical and operational perspective before any investment can be made. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- Y15 CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.
- Y15 H-CHF** Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The rates of exchange between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class. The reference currency of this unit class is Swiss Francs.
- Y NT A CHF** Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund. The reference currency of this unit class is Swiss Francs.

#### Z Unit Classes

- Z CHF** Accumulating and limited to seed/early stage investors domiciled in Switzerland. The issue of units in the class, at a discounted management fee rate, is limited. The reference currency of this unit class is Swiss Francs.
- Z USD** Accumulating and limited to seed/early stage investors domiciled in Switzerland. The issue of units in the class, at a discounted management fee rate, is limited. The reference currency of this unit class is US Dollars.
- Z AUD** Accumulating and limited to seed/early stage investors domiciled in Switzerland. The issue of units in the class, at a discounted management fee rate, is limited. The reference currency of this unit class is Australian Dollars.

No retrocessions may be paid except for the sub-fund BlackRock US Dollar Liquidity Fund (CH). The details are contained under cipher 1.11.2.

At the date of this prospectus, the following unit classes are available for the respective sub-funds. The unit classes that have been effectively launched are indicated in the Summary Table at the end of the prospectus.

#### **a) iShares World ex Switzerland Equity Index Fund (CH)**

**I1 CHF, I1 H-CHF  
X1 CHF, X1 H-CHF  
Y1 CHF, Y1 H-CHF**

#### **b) iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH)**

**D CHF, D H-CHF  
I CHF, I USD, I H-CHF, I0 CHF, I0 USD, I0 H-CHF, I15 CHF, I15 USD, I15 H-CHF  
X CHF, X USD, X H-CHF, X0 CHF, X0 USD, X0 N CHF, X0 H-CHF, X15 CHF, X15 USD, X15 H-CHF  
Y CHF, Y H-CHF, Y0 CHF, Y0 H-CHF, Y15 CHF, Y15 H-CHF**

#### **c) iShares Emerging Markets Equity Index Fund (CH)**

**D CHF, D NT CHF, D H-CHF, D H-EUR, D H-USD  
I CHF, I USD, I H-CHF, I H-EUR, I H-USD**

**X CHF, X USD, X N CHF, X H-CHF, X H-EUR, X H-USD, X NT USD**  
**Y CHF, Y H-CHF, Y H-EUR, Y H-USD**

**d) BlackRock US Dollar Liquidity Fund (CH)**

**D USD, D NT USD, D A USD, D NT A USD**  
**I USD, I NT USD, I A USD, I NT A USD**  
**S USD, S SD USD, S A USD, S SD A USD**  
**X USD, X NT USD, X A USD, X NT A USD**

**e) iShares SPI® Equity Index Fund (CH)**

**D CHF**  
**I CHF, I NT A CHF**  
**X CHF, X N CHF**  
**Y CHF**  
**Z CHF**

**f) iShares SMI® Equity Index Fund (CH)**

**D CHF**  
**I CHF, I NT A CHF**  
**X CHF, X N CHF**  
**Y CHF**  
**Z CHF**

**g) iShares SBI® ESG AAA-BBB Bond Index Fund (CH)**

**D CHF**  
**I CHF, I NT A CHF**  
**X CHF, X N CHF**  
**Y CHF**  
**Z CHF**

**h) iShares Emerging Markets Bond Index Fund (CH)**

**D USD, D H-CHF, D H-EUR**  
**I USD, I H-CHF, I H-EUR, I NT USD**  
**X USD, X N USD, X H-CHF, X H-EUR, X NT USD**  
**Y USD, Y H-CHF, Y H-EUR**  
**Z USD**

**i) iShares Japan Equity Index Fund (CH)**

**D JPY, D H-CHF, D H-EUR, D H-USD**  
**I JPY, I H-CHF, I H-EUR, I H-USD I1 CHF, I1 H-CHF, I10 CHF, I10 H-CHF**  
**X CHF, X H-CHF, X1 CHF, X1 H-CHF, X10 CHF, X10 H-CHF**  
**Y CHF, Y H-CHF, Y1 CHF, Y1 H-CHF, Y10 CHF, Y10 H-CHF**

**j) iShares World ex Switzerland ESG Screened Equity Index Fund (CH)**

**I1 CHF, I1 H-CHF**  
**X1 CHF, X1 H-CHF**  
**Y1 CHF, Y1 H-CHF**

**k) iShares World ex Switzerland Equity Index Fund II (CH)**

**D USD, D H-CHF**  
**I USD, I H-CHF, I0 USD, I0 H-CHF, I15 USD, I15 H-CHF**  
**X USD, X H-CHF, X0 USD, X0 N USD, X0 H-CHF, X15 USD, X15 H-CHF**  
**Y USD, Y H-CHF, Y0 USD, Y0 H-CHF, Y15 USD, Y15 H-CHF**

**l) BlackRock Systematic Australian Equity Fund**

**D AUD**  
**I AUD**  
**Z AUD**

**m) iShares SPI® Equity Index Fund NoL (CH)**

**D CHF, D NT A CHF**  
**I CHF, I NT A CHF**  
**X CHF, X N CHF, X NT A CHF**  
**Y CHF, Y N CHF, Y NT A CHF**  
**Z CHF**

The individual unit classes do not constitute segregated pools of assets. Although costs are in principle charged only to the unit class for which the service in question was rendered, the possibility of a unit class being held liable for the liabilities of another unit class therefore cannot be ruled out.

Investors are entitled to acquire 'I' and 'S' unit classes as long as they meet the class specific criteria including amongst others the minimum investment. In order to determine whether the minimum investment as indicated in the description of the respective 'I' and 'S' unit classes is fulfilled, the valuation of the investor's units in the respective unit class will be considered. In addition to the valuation of the investor's units in the respective unit class, the total assets of the investor managed by the BlackRock Group may be considered in determining the minimum investment.

If the fund management company or another BlackRock Group company subscribes units of a unit class in its own name in order to activate or maintain the unit class, compliance with the class specific criteria of the respective unit class is not required.

The unitholders may request at any time the conversion of their units in units of another available unit class of the same sub-fund, based on the asset value of both classes concerned, provided all conditions of the class into which the units will be converted are fulfilled.

The Fund Management Company may decide at any time to compulsorily redeem all units held by those unitholders whose minimum investment is less than the amount stipulated for the relevant unit class, or who do not meet other applicable requirements. Alternatively, the Fund Management Company may convert such units into units of another unit class for which the requirements are met. In such case, the relevant unitholder or his custodian bank shall be notified in advance, providing the possibility to increase the holdings in order to reach the required amount invested or to meet the requirements in another way, i.e. by converting units into units of another unit class, for which the requirements set out herein are met.

Investors in unit classes that provide for tax transparency must submit corresponding forms as applicable for tax purposes in the relevant jurisdiction (e.g. W-8BEN form in the United States of America). Investors wishing to assert claims in connection with the double taxation agreement between Switzerland and a relevant jurisdiction must substantiate their claim and prove their eligibility to claim by correct and exhaustive completion of the relevant forms (e.g. W-8BEN form in the United States of America). Upon request, the relevant tax form must be periodically updated. The investor must submit an updated tax form immediately and without request, if his eligibility to claim has changed. The Fund Management Company may decide at any time to compulsorily redeem all units held by those unitholders, should the requirements for tax transparency not be fulfilled anymore or should the documentation related to tax transparency not be complete at any time, in accordance with § 5 cipher 8 and 9 and § 6 cipher 6 of the fund contract. Further, the Fund Management Company reserves the right to require the investor concerned to indemnify and recompense a sub-fund for any losses that have been or may be caused to a sub-fund by that investor's provision of inaccurate, incomplete, erroneous or obsolete information or documents, or through the investor's failure to supply updated information and documents following a change of circumstances, and which led the Fund Management Company or the transfer agent to authorize or continue to authorize that investor's investment in these sub-funds (§ 5 cipher 2 of the fund contract).

Unit classes of certain sub-funds (as set out in the prospectus and fund contract) cannot be freely transferred. The Fund Management Company may grant exceptions provided that the transferee meets all class specific criteria applying to the respective sub-fund and unit class.

The investor takes note that with regard to corporate actions, which concern investments of a sub-fund and involve US companies, non-refundable US taxes and third-party costs may accrue. Such taxes and third-party costs can have a negative impact on the performance of the sub-fund.

Taxation and other tax effects for the investor when purchasing, holding and selling sub-fund units are determined by the tax provisions in the investor's tax domicile, save for the levying of a withholding tax on interest payments by a paying agent based in the EU, which is determined by the EU Directive and/or national regulations based thereon.

Investors which have been entered into the securities account (*Anteilscheinkonto*) with their full name must take note that their identity may be disclosed to the Fund Management Company, the Custodian Bank and authorities.

Investors should also read the information set out under the heading "FATCA and other cross-border reporting systems", particularly in relation to the consequences of the umbrella fund being unable to comply with the terms of such reporting systems.

If the Fund becomes liable to account for tax if a chargeable event occurs, the Fund shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of units held by the unitholder as are required to meet the amount of tax. The relevant unitholder shall indemnify and keep the Fund indemnified against loss arising to the Fund by reason of the Fund becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

## 1.6 Listing und Trading

The units will not be listed. Subscription or redemption orders for Sub-fund Units are accepted on any bank working day.

## 1.7 Terms for the Issue and Redemption of Sub-fund Units

Subscription or redemption orders for units are accepted on any bank working day (Monday to Friday, Order Date) up until a time specified in the table at the end of this prospectus, in the section entitled "Summary of Sub-Funds and Unit Classes" (the "**Summary Table**"). The relevant issue and redemption price of units is determined based on the closing prices from the date of relevant valuation as per the Summary Table, except for BlackRock US Dollar Liquidity Fund (CH) for which the issue and redemption price of the units is determined based on the prices available at 2.30 pm (CET). In all cases the basis of the prices is not yet known at the time when orders are placed (Forward Pricing).

Bank working day means, in relation to the sub-funds, a day on which the relevant markets are open all-day in Switzerland, England (excluding England for iShares SPI® Equity Index Fund (CH), iShares SMI® Equity Index Fund (CH), BlackRock US Dollar Liquidity Fund (CH), BlackRock Systematic Australian Equity Fund, and iShares SPI® Equity Index Fund NoL (CH)) and in the country or countries accounting for at least 70% (securities and currencies) in which the sub-fund invests.

Subject to the exceptional circumstances defined under § 17 cipher 5 of the fund contract, issue and redemption orders will be accepted on any bank working day as defined under § 17 cipher 1.

Subscription and redemption orders received at the latest by the time stated in the Summary Table on a given bank working day (order day) will be priced and valued as per the Summary Table. The net asset value taken as the basis for the settlement of the order is not known when the order is placed (forward pricing). The net asset value is calculated on the valuation day on the basis of the closing prices, for BlackRock US Dollar Liquidity Fund (CH) on the order date on the basis of prices available at 2.30 pm (CET) respectively, as set out in the Summary Table.

In the event of a subscription, every investor may request when subscribing for units to exchange in kind assets instead of making a cash payment into the sub-fund's assets ("contribution in kind") and/or when redeeming units to exchange in kind assets instead of receiving a cash payment out of the sub-fund's assets ("redemption in kind"). The application shall be made together with the subscription and/or redemption. The Fund Management Company shall not be obliged to authorize in kind contributions and redemptions.

The Fund Management Company shall have sole discretion to decide on in kind contributions or redemptions and shall only accept such transactions if they can be carried out in full compliance with the investment policy of the relevant sub-fund and if the interests of the remaining investors are not affected.

The details of contributions and redemptions in kind are governed by § 18 of the fund contract.

Issue and redemption orders may specify either the number of units of the fund to be issued/redeemed or the value of units to be issued/redeemed. Where a request is submitted by units for the BlackRock US Dollar Liquidity Fund (CH), the Fund Management Company or the Custodian Bank may request a confirmation of the value of units or require that the request be provided in terms of value of units instead. The issue and redemption prices are rounded up or down to two places after the decimal point of the unit of account, except for BlackRock US Dollar Liquidity Fund (CH) which will be rounded to four places after the decimal point. Payments for units issued or redeemed will be made as per the Summary Table.

The Fund Management Company may calculate the net asset value of a unit on additional days ("non-tradable NAV"), e.g. when the last calendar day of a month falls on a holiday; such non-tradable NAVs may be published, but should only be used for performance calculations and statistics (in particular for the purpose of comparison with the reference index) or for fee calculations, but under no circumstances as a basis for subscription or redemption order.

The Fund Management Company and the Custodian Bank may, within the scope of their sales activities, refuse subscription orders and may suspend or limit the sale, distribution or transfer of units to individuals or corporate bodies in particular countries or areas.

The issue price corresponds to the net asset value calculated on the valuation day, plus any incidental costs (such as standard brokerage charges, commission, taxes and duties, transaction costs (such as execution and slippage costs)) incurred by the corresponding sub-fund on average due to the investment of the amount paid in. The rates for the incidental costs are set out in the Summary Table.

The redemption price corresponds to the net asset value calculated on the valuation day, less any incidental costs (such as standard brokerage charges, commission, taxes and duties, transaction costs (such as execution and slippage costs)) incurred by the corresponding sub-fund on average due to the dis-investment of the amount paid out. The rates for the incidental costs are set out in the Summary Table.

## 1.8 Treatment of income

*Accumulating unit classes:* income added annually to the relevant sub-fund per unit class for the purpose of reinvestment.

*Distributing unit classes:* income distributed within four months of the end of the financial year.

## 1.9 Investment Objective, Investment Policy and Investment Restrictions of the Sub-funds, and their Use of Derivatives

Detailed information on the investment policy and its restrictions, as well as the permitted investment techniques and instruments (in particular derivative financial instruments and their scope) are contained in the fund contract (cf. Part 2, §§ 7–15 of the fund contract and Special Sections A, B, C, D, E, F, G, H, I, J, K, L, and M).

### 1.9.1 Investment Objective and Investment Policy of the Sub-funds

#### a) iShares World ex Switzerland Equity Index Fund (CH)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI World ex Switzerland Index (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The sub-fund is adjusted to changes in the index weightings every quarter. In addition, there can be events intra-quarter (for example relevant changes to the Reference Index itself) which prompt the portfolio to be re-balanced intra-quarter (Index Rebalancing). Further details regarding the Reference Index (including its constituents) are available on the index provider's website at [www.msci.com/constituents](http://www.msci.com/constituents) and <https://www.msci.com/documents/10199/a1122285-f077-a74e-4e8e-ba40b2507859>.

#### b) iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI World ex Switzerland Small Cap ESG Screened ex Select Securities Index\* (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The Reference Index is a custom index calculated by MSCI which, in addition to risk and return considerations, takes into account environmental, social and governance (ESG) and related sustainability factors, implementing an ESG Exclusion approach. It is based on the MSCI World ex Switzerland Small Cap Index, its parent index, and includes small cap securities across Developed Markets countries (excluding Switzerland). The Reference Index represents the performance of a set of companies from its parent index, while aiming to eliminate or minimize exposure to companies involved in controversial weapons, nuclear weapons, civilian firearms, tobacco,

\* a custom index calculated by MSCI based on the stock exclusions provided by SVVK-ASIR (Swiss Association for Responsible Investments)



fossil fuel extraction and thermal coal-based power generation. Furthermore, the Reference Index also excludes companies that are not in compliance with the United Nations Global Compact principles and companies with severe ESG controversies. The Reference Index also excludes from the parent index all securities listed on the exclusion list of the Swiss Association for Responsible Investments ("SVVK – ASIR"; <https://www.svkk-asir.ch/en/exclusion-list/>).

Cipher 6.2 of the prospectus provides additional information on the ESG methodology of the index provider and respective criteria.

Cipher 1.14 of the prospectus contains risk disclosures on specific risks relating to ESG-screen reference indices, which apply in particular to this sub-fund. The attention of the investors is specifically drawn to the fact that neither the Fund Management Company nor the Investment Manager will monitor the companies that comprise the reference index against the screening criteria applied by the index provider or assess the validity of the ESG-related ratings given by the index provider to each company.

The reference index rebalances on a quarterly basis. Further details regarding the Reference Index (including its constituents) are available on the index provider's website at [www.msci.com/constituents](http://www.msci.com/constituents) and <https://www.msci.com/documents/10199/ed552a92-e733-d34d-8d20-cdb9e0137986>.

#### c) iShares Emerging Markets Equity Index Fund (CH)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI Emerging Markets Index (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The sub-fund is adjusted to changes in the index weightings every quarter. In addition, there can be events intra-quarter (for example relevant changes to the Reference Index itself) which prompt the portfolio to be re-balanced intra-quarter (Index Rebalancing). Further details regarding the Reference Index (including its constituents) are available on the index provider's website at [www.msci.com/constituents](http://www.msci.com/constituents) and <https://support.msci.com/documents/10199/57f27bf7-69e2-87a3-5851-57d953694f72>.

#### d) BlackRock US Dollar Liquidity Fund (CH)

This sub-fund is a short-term money market fund whose primary investment objective is to provide a return in line with money market rates. In pursuit of its investment objective, the sub-fund may invest in a broad range of high quality transferable securities which will generally be traded or listed on stock exchanges or regulated markets such as securities, financial instruments and obligations that may be available in the relevant markets (both within and outside the US) for financial instruments denominated in US Dollars including securities, financial instruments and obligations issued or guaranteed by the US Government or other sovereign governments or their agencies and securities, financial instruments and obligations issued or guaranteed by supranational or public international bodies, banks, corporate or other commercial issuers. These types of securities, financial instruments and obligations may be issued by both US and non-US issuers, but shall be denominated in US Dollars.

In addition to the investment objective set out above, the assets of the sub-fund will be invested applying BlackRock's EMEA Baseline Screens Policy. Further information on BlackRock's EMEA Baseline Screens Policy is provided under cipher 6.3.

#### e) iShares SPI® Equity Index Fund (CH)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Swiss Performance Index (SPI®) (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The composition of the Reference Index is updated on an ad-hoc basis by SIX Index Ltd on the basis of the index regulations. For the last available composition of the Reference Index and the index regulations, as well as for other information on the Reference Index (e.g. rebalancing frequency), please see [www.six-swiss-exchange.com](http://www.six-swiss-exchange.com) and <https://www.six-group.com/dam/download/market-data/indices/factsheets/six-factsheet-stat-sxge-en.pdf>.

#### f) iShares SMI® Equity Index Fund (CH)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Swiss Market Index (SMI®) (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to replicate the constituents of the Reference Index by holding all the securities comprising the Reference Index in a similar proportion to their weightings in the Reference Index.

The composition of the Reference Index is periodically updated by SIX Index Ltd on the basis of the index regulations. For the last available composition of the Reference Index and the index regulations, as well as for other information on the Reference Index (e.g. rebalancing frequency), please see [www.six-swiss-exchange.com](http://www.six-swiss-exchange.com).

#### g) iShares SBI® ESG AAA-BBB Bond Index Fund (CH)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the SBI ESG Screened AAA-BBB Index (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations;

costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The Reference Index is an index calculated by SIX Index Ltd which, in addition to risk and return considerations, takes into account environmental, social and governance (ESG) and related sustainability factors by implementing an ESG integration and exclusion approach. The Reference Index measures the performance of a sub-set of fixed income securities within the Swiss Bond Index (SBI®) (the parent index). Based on ESG criteria defined and metrics calculated by the index provider and their delegates, the Reference Index excludes securities issued by companies

- that derive more than a certain level – e.g. 0%, 5% or 15% – of their revenues from critical sectors (namely oil sands, thermal coal, nuclear energy, genetic engineering, gambling, defense, alcohol, adult entertainment and tobacco),
- that are not compliant with the United Nations Global Compact principles ([www.unglobalcompact.org](http://www.unglobalcompact.org)),
- that are listed on the exclusion list of the Swiss Association for Responsible Investments ("SVVK – ASIR"; [www.svvk-asir.ch/en/exclusion-list/](http://www.svvk-asir.ch/en/exclusion-list/)), and
- that do not have an ESG Rating of at least C+ (with a rating range in twelve levels from D- (worst rating) to A+ (best rating) as calculated by the index provider and their delegates).

Cipher 6.2 of the prospectus provides additional information on the ESG methodology of the index provider and respective criteria.

Cipher 1.14 of the prospectus contains risk disclosures on specific risks relating to ESG-screen reference indices, which apply in particular to this sub-fund. The attention of the investors is specifically drawn to the fact that neither the Fund Management Company nor the Investment Manager will monitor the companies that comprise the reference index against the screening criteria applied by the index provider or assess the validity of the ESG-related ratings given by the index provider to each company.

Index compositions are periodically updated by the SIX Index Ltd based on the index regulations. For the last available composition of the Reference Index and index regulations, as well as other information on the Reference Index (e.g. rebalancing frequency), please see <https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/indices/esg-indices/esg-bond-indices.html>.

#### **h) iShares Emerging Markets Bond Index Fund (CH)**

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the J.P. Morgan Emerging Markets Bond Index Global Diversified (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

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

#### **i) iShares Japan Equity Index Fund (CH)**

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI Japan Index (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The Reference Index rebalances on a quarterly basis. Further details regarding the Reference Index (including its constituents) are available on the index provider's website at [www.msci.com/constituents](http://www.msci.com/constituents) and <https://www.msci.com/documents/10199/47c35e82-0349-2a91-7487-18f43416495c>.

#### **j) iShares World ex Switzerland ESG Screened Equity Index Fund (CH)**

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI World ex Switzerland ESG Screened ex Select Securities Index<sup>†</sup> (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The Reference Index is a custom index calculated by MSCI which, in addition to risk and return considerations, takes into account environmental, social and governance (ESG) and related sustainability factors, implementing an ESG Exclusion approach. It is based on the MSCI World ex Switzerland Index, its parent index, and includes large and mid-cap securities across Developed Markets countries (excluding Switzerland). The Reference Index represents the performance of a set of companies from its parent index, while aiming to eliminate or minimize exposure to companies involved in controversial weapons, nuclear weapons, civilian firearms, tobacco, fossil fuel extraction and thermal coal-based power generation. Furthermore, the Reference Index also excludes companies that are not in compliance with the United Nations Global Compact principles and companies with severe ESG controversies. The Reference Index also excludes from the parent index all securities listed on the exclusion list of the Swiss Association for Responsible Investments ("SVVK – ASIR"; <https://www.svk-asir.ch/en/exclusion-list/>).

Cipher 6.2 of the prospectus provides additional information on the ESG methodology of the index provider and respective criteria.

Cipher 1.14 of the prospectus contains risk disclosures on specific risks relating to ESG-screen reference indices, which apply in

<sup>†</sup> a custom index calculated by MSCI based on the stock exclusions provided by SVVK-ASIR (Swiss Association for Responsible Investments)

particular to this sub-fund The attention of the investors is specifically drawn to the fact that neither the Fund Management Company nor the Investment Manager will monitor the companies that comprise the reference index against the screening criteria applied by the index provider or assess the validity of the ESG-related ratings given by the index provider to each company.

The reference index rebalances on a quarterly basis. Further details regarding the Reference Index (including its constituents) are available on the index provider's website at <https://www.msci.com/documents/10199/8600beed-f425-8065-df57-1523febb420d>.

#### **k) iShares World ex Switzerland Equity Index Fund II (CH)**

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI World ex Switzerland Index (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The sub-fund is adjusted to changes in the index weightings every quarter. In addition, there can be events intra-quarter (for example relevant changes to the Reference Index itself) which prompt the portfolio to be re-balanced intra-quarter (Index Rebalancing). Further details regarding the Reference Index (including its constituents) are available on the index provider's website at [www.msci.com/constituents](http://www.msci.com/constituents) and <https://www.msci.com/documents/10199/25354f7d-a452-90ec-296c-1eb4a786f2fb>.

#### **l) BlackRock Systematic Australian Equity Fund**

The investment objective of this sub-fund is to provide long-term returns in excess of the total rate of return of the S&P/ASX 300 ® Total Return Index (the "Reference Index"). In order to achieve this investment objective, the sub-fund is designed to be highly diversified, providing broad exposure to the Australian equity market. Investments are made in stocks that form the Reference Index but not necessarily in the same proportions as the Reference Index. The strategy of this sub-fund is designed to avoid uncompensated active risks. When compared with the Reference Index, the sub-fund may be moderately exposed to industries and sectors, as well as in style and size. The investment strategy aims to remain fully exposed to the Australian stock market, with cash exposure being maintained at a minimum, which may be, where practicable, equitised using index futures contracts. The sub-fund may hold a small allocation of cash (or cash equivalents that may include units in other BlackRock managed funds) for cash flow management purposes. The sub-fund excludes all securities listed on the exclusion list of the Swiss Association for Responsible Investments ("SVVK – ASIR"; <https://www.svvk-asir.ch/en/exclusion-list/>) and applies a thermal coal mining screen to exclude securities or other instruments of companies that derive more than 25% of their annual revenue from thermal coal mining.

Further details regarding the Reference Index (including its constituents) are available on the index provider's website at <https://www.spglobal.com/spdji/en/indices/equity/sp-asx-300/#overview>.

#### **m) iShares SPI® Equity Index Fund NoL (CH)**

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Swiss Performance Index (SPI®) (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The composition of the Reference Index is updated on an ad-hoc basis by SIX Index Ltd on the basis of the index regulations. For the last available composition of the Reference Index and the index regulations, as well as for other information on the Reference Index (e.g. rebalancing frequency), please see [www.six-swiss-exchange.com](http://www.six-swiss-exchange.com) and <https://www.six-group.com/dam/download/market-data/indices/factsheets/six-factsheet-stat-sxge-en.pdf>. For this sub-fund, the Fund Management Company will not enter into securities lending transactions (the designation "NoL" stands for "non-lending").

### **1.9.2 Possibility to invest more than 35% of the fund assets in publicly guaranteed or issued investments**

For certain sub-funds as provided for in the special sections of the fund contract in conjunction with § 15 cipher 13 of the fund contract, the Fund Management Company may invest up to 100% of the assets in securities or money market instruments from the same issuer provided they are issued or guaranteed by an OECD country, a public law entity from the OECD, or by public international bodies of which Switzerland or a member state of the European Union are members. In this case, the respective sub-funds must invest in securities or money market instruments from at least six different issues and no more than 30% of the assets of each sub-fund concerned may be invested in securities or money market instruments of the same issue.

The above-mentioned authorized issuers and/or guarantors include: OECD countries: European Union (EU), Council of Europe, Eurofinanz, International Bank for Reconstruction and Development (The World Bank), European Bank for Reconstruction and Development, European Investment Bank, The Inter-American Development Bank, Nordic Development Bank, The Asian Development Bank and African Development Bank.

The abovementioned conditions are applicable to the same extent for collateral management purposes in case of deviation from the rule set forth in Art. 52 let. a CISO-FINMA in conjunction with Art. 83 para. 2 CISO (see cipher 1.9.3 and § 10 cipher 5, § 11 cipher 8 and § 12 cipher 9 let. d of the fund contract).

### **1.9.3 Collateral strategy for financial derivative transactions, securities lending transactions and repurchase/reverse repurchase agreements**

Collateral transferred in relation to derivatives, securities lending or repurchase transactions must comply with applicable regulations.

Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Fund Management Company that any collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

Only collateral that meets the following requirements may be accepted:

- a. It is highly liquid and is traded at a transparent price on an exchange or other regulated market open to the public. It can be disposed of at short notice at a price close to the valuation undertaken prior to sale.
- b. It is valued at least on each trading day. Where price volatility is high, suitable conservative haircuts must be applied.
- c. It is not issued by the counterparty or by a company that belongs to or is dependent on the counterparty's group.
- d. The credit quality of the issuer is high.
- e. It is sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a sub-fund's net asset value. When a sub-fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. The exemptions for publicly guaranteed or issued investments pursuant to Art. 83 CISO are reserved (see cipher 1.9.2); and
- f. It is capable of being fully enforced by the Fund Management Company at any time without reference to or approval from the counterparty.

Non-cash collateral cannot be lent, sold, re-invested or pledged.

Cash as collateral may only be used as liquid assets or invested in high-quality government bonds and directly or indirectly in short-term money market instruments or used for the purposes of reverse repurchase agreements.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

The Fund Management Company has implemented a haircut policy in respect of each class of assets received as collateral. A haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral management policy.

#### **1.9.4 Investment Restrictions of the Sub-funds**

Detailed information on the sub-funds' investment restrictions can be found in the fund contract (see Part 2, § 15 as well as § 32A, § 32B, § 32C, §32D, §32E, §32F, §32G, §32H, §32I, §32J, §32K, §32L, and §32M).

#### **1.9.5 Use of Derivatives by the Sub-funds**

The Fund Management Company may use derivatives. However, even under extreme market circumstances, the use of derivatives may not result in a deviation from the investment objectives or a change in the investment character of the sub-fund.

Commitment I approach is applied for the assessment of risk.

Derivatives form part of the investment strategy and are not used solely to hedge investment positions.

Only basic forms of derivatives may be used, i.e. call or put options, swaps and futures and forward transactions, as described in more detail in the fund contract (cf. § 12), and only as long as the underlying securities are permitted as investments under the investment policy. The derivative transactions may be concluded on either a stock exchange or another regulated market open to the public, or in OTC (over-the-counter) trading. In addition to the market risks, derivatives are also subject to counterparty risk, i.e. the risk that the party to the contract fails to meet its obligations and thus causes a financial loss.

Even under extraordinary market circumstances, the use of these instruments may not result in the sub-funds' assets being leveraged, neither may they correspond to a short sale.

### **1.10 Net Asset Value**

The net asset value of a unit of a sub-fund is determined by the market value of that sub-fund's assets, minus all that sub-fund's liabilities, divided by the number of units of that sub-fund in circulation. The net asset value shall be rounded up or down to two places after the decimal point of the unit of account, except for BlackRock US Dollar Liquidity Fund (CH) which will be rounded to four places after the decimal point. Incidental costs (such as standard brokerage charges, commission, taxes and duties, transaction costs (such as execution and slippage costs)) effectively incurred by a sub-fund for the purchase and sale of investments in connection with the investment of the amount paid in, or with the sale of that portion of investments corresponding to the redeemed unit(s), will be charged to that sub-fund's assets.

### **1.11 Fees and Incidental Costs**

Details on the fees and incidental costs for each sub-fund, together with the issue and redemption commission for each unit class, are set out in the Summary Table.

The fees and incidental costs listed under § 19 of the fund contract may also be charged to the investors.

Information on the flat fee actually charged can be found in the annual and semi-annual reports.

The flat fee payable to the Fund Management Company is used for the administration and, if applicable, asset management and distribution of the sub-funds as well as for the remuneration of the services performed by the Custodian Bank such as safekeeping of the fund assets, the handling of payment transactions and other tasks listed under § 4 of the fund contract.

Furthermore, the other fees and incidental costs listed under § 20 of the fund contract may also be charged to the sub-funds.

In addition, rebates and remuneration for certain other services pursuant to the sub-section "Payment of retrocessions and rebates" of the prospectus are paid out of the flat fee of the Fund Management Company.

#### **1.11.1 Payment of retrocessions and rebates**

For the sub-fund BlackRock US Dollar Liquidity Fund (CH), the Fund Management Company, its agents and the Custodian Bank may pay remuneration for distribution activity in respect of units of the sub-funds in or from Switzerland. No retrocessions are being paid for the other sub-funds. In the context of the performance of the fund business, in individual cases and at their discretion the Fund Management Company and its agents may pay third parties fees on the basis of written agreements for the performance of specific services, for example, to facilitate joint marketing initiatives, to train and educate clients and client advisers or to provide access to fund holding data which is otherwise unavailable.

In the case of distribution activity in or from Switzerland, the Fund Management Company and its agents may, upon request and agreement, pay rebates directly to investors for the purpose of reducing the fees or costs incurred by the investor in question. Rebates are permitted provided that a) they are paid from fees received by the Fund Management Company and therefore do not represent an additional charge for the assets of the respective sub-fund; b) they are granted on the basis of objective criteria; and c) all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Fund Management Company are as follows:

- the level of investment in a collective investment or range of collective investments or other portfolio managed by the Fund Management Company or its agents;
- the willingness of an investor to provide support during a fund's inception phase.

Upon request of the investor, the Fund Management Company must disclose the relevant amounts of rebates free of charge.

#### **1.11.2 Total Expense Ratio ("TER")**

The coefficient of the total costs charged to the sub-funds' assets on an ongoing basis is stated in the Summary Table.

#### **1.11.3 Fee-Sharing Agreements and Non-Pecuniary Benefits ("Commission Sharing Agreements" and "Soft Commissions")**

The Fund Management Company has not concluded any commission sharing agreements or agreements in respect of "soft commissions".

#### **1.11.4 Investments in associated collective investment schemes**

No issuing and redemption commission is charged for investments in collective investment schemes that are managed directly or indirectly by the Fund Management Company itself or by a company with which it is related by virtue of common management or control or by way of a significant direct or indirect stake (related target funds).

### **1.12 Access to the Reports**

The prospectus with integrated fund contract, the key information document (KID) or equivalent and the latest annual or semi-annual reports may be obtained free of charge from the Fund Management Company, the Custodian Bank and all distributors.

### **1.13 Legal Form of the Fund**

The sub-funds are based upon a collective investment agreement, under which the Fund Management Company undertakes to provide the investor with a stake in the corresponding sub-fund in proportion to the units acquired by the said investor, and to manage this sub-fund in accordance with the provisions of the law and the fund contract. The Custodian Bank is party to the fund contract in accordance with the tasks conferred upon it by the law and the fund contract.

Investors are only entitled to the assets and income of the sub-fund in which they have invested. Liabilities that are attributable to an individual sub-fund will be borne solely by the said sub-fund.

In accordance with the fund contract, the Fund Management Company is entitled to establish, liquidate or merge unit classes for each sub-fund at any time, subject to the consent of the Custodian Bank and the approval of the supervisory authority.

### **1.14 Risk Factors**

Investors are informed of the following risk factors with respect to the sub-funds. This list is not to be regarded as an exhaustive list of the risk factors influencing the assets of the umbrella fund or its sub-funds.

#### **Investment Risks**

Past performance is not a guide to the future. The prices of units and the income from them may fall as well as rise and an investor may not recover the full amount invested. There can be no assurance that any sub-fund will achieve its investment objective or that an investor will recover the full amount invested in a sub-fund. The capital return and income of each sub-fund are based on the capital appreciation and income of the securities it holds, less expenses incurred and any relevant expenses. Therefore, each sub-fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

#### **Index tracking risks**

Sub-funds with a reference index attempt to achieve the same or similar return of their respective reference index using a replication or optimisation strategy, however there is no guarantee that they will be managed to achieve the same or a similar return of their respective reference index perfectly, and the sub-funds may possibly be exposed to the risk of a tracking error, that is to say the risk that returns might sometimes not precisely achieve the same or similar return of the respective reference index. This tracking error may result from the inability to hold the precise elements of the reference index, for example if local markets are subject to trading restrictions, smaller elements are illiquid, if the regulations limit any commitment in the elements of the reference index. For liquidity purposes, the sub-funds may hold a portion of their net assets in cash and such cash holdings will not rise and fall in line with movements in their respective reference indices. In addition, the sub-funds rely on index licences granted by third party index providers to use and track the reference indices. In the event that an index provider terminates or varies an index licence, it will affect the ability of the impacted sub-fund to continue to use and track their reference index and to meet their investment objectives. Regardless of market conditions, certain sub-funds aim to track the performance of their respective reference indices and do not seek to outperform their respective reference indices.

#### **Optimisation strategy**

It may not be practical or cost efficient for a Sub-Fund to replicate its reference index. Sub-Funds may use optimisation techniques in order to achieve a similar return to their reference index, which is described under "Investment Objective, Investment Policy and Investment Restrictions of the Sub-funds, and their Use of Derivatives" in the prospectus and "Investment Objective and Investment Policy" in the fund contract. Optimisation techniques may include the strategic selection of some (rather than all) of the securities that make up the relevant Sub-Fund's reference index, holding securities in proportions that differ from the proportions of the Sub-Fund's reference index and/or the use of derivatives to achieve a similar return of certain securities that make up the Sub-Fund's reference index. Sub-Funds which utilise optimisation techniques may potentially be subject to tracking risk, which is the risk that their returns may not achieve exactly those of their respective reference indices.

#### **Index-related risks**

As prescribed by this prospectus and the integrated fund contract, in order to meet its investment objective, each sub-fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant reference



index as published by the index provider. There is no assurance that the index provider will compile the reference index accurately, or that the reference index will be determined, composed or calculated accurately. While the index provider does provide descriptions of what the reference index is designed to achieve, the index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the reference index, and does not guarantee that the reference index will be in line with the described index methodology. The asset manager's mandate as described in this prospectus and the integrated fund contract is to manage the sub-funds consistently with the relevant reference index provided to the asset manager. Consequently, the asset manager does not provide any warranty or guarantee for index provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where the indices are less commonly used. Therefore gains, losses or costs associated with index provider errors will be borne by the sub-funds and their investors. For example, during a period where the reference index contains incorrect constituents, a sub-fund tracking such published reference index would have market exposure to such constituents and would be underexposed to the constituents that should have been included in the reference index. As such, errors may result in a negative or positive performance impact to the sub-funds and their investors. Investors should understand that any gains from index provider errors will be kept by the sub-funds and their investors and any losses resulting from index provider errors will be borne by the sub-funds and their investors.

Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to the reference index in order, for example, to correct an error in the selection of index constituents. Where the reference index of a sub-fund is rebalanced and the sub-fund in turn rebalances its portfolio to bring it in line with its reference index, any transaction costs (including any capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne directly by the sub-funds and its investors. Unscheduled rebalances to the reference index may also expose the sub-funds to tracking error risk, which is the risk that its returns may not track exactly those of the reference index. Therefore, errors and additional ad hoc rebalances carried out by the index provider to a reference index may increase the costs and market exposure risk of the relevant sub-fund.

Where a sub-fund's reference index aims to identify securities that meet criteria which have an element of being forward looking (for example, securities that are expected to provide a high yield), there is no guarantee that the reference index will meet its objective. Many factors can affect the performance of a security and the impact of these factors on a security or its price can be difficult to predict.

### **Counterparty and trading risks**

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

### **Financial Markets, Counterparties and Service Providers**

The sub-funds 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 effect on the return of the sub-funds. Regulators and self-regulatory organisations and exchanges are authorized 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.

### **Specific investment risks applicable to all sub-funds**

#### Money market risk

In order to reduce the credit risk with respect to safe-keeping agents, the Fund Management Company may order that cash reserves of the sub-fund (including pending dividend payments) be invested in money market funds, including in other funds of the BlackRock Group. A money market fund which invests a significant proportion of its assets in money market instruments may be regarded as an alternative to investment in a regular deposit account. A holding in such an undertaking bears the risks that are associated with an investment in collective investment schemes, and, even though money market funds are designed to represent a relatively low-risk investment, they are not entirely risk-free. Despite the short maturities and the high credit quality of the investments of these undertakings, the yield of such an undertaking may be reduced by rising interest rates or a deterioration in credit quality, and the undertaking still bears the risk that the value of the investments of the undertaking will be eroded and the capital sum invested will not be fully repaid.

#### Securities Lending Risk

For certain sub-funds, the Fund Management Company engages in a securities lending programme through the Lending Agent. The Fund Management Company will have a credit risk exposure to the counterparties to any securities lending contract. A sub-fund's assets can be lent to counterparties over a period of time. The risks of securities lending include the risk that a borrower may not provide additional collateral when required or may not return the securities when due. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of a sub-fund. The Fund Management Company intends to ensure that all securities lending is fully collateralised but, to the extent that any securities lending is not fully collateralised (for example due to timing issues arising from payment lags), the Fund Management Company will have a credit risk exposure to the counterparties to the securities lending contracts. To mitigate these risks, the Fund Management Company benefits from a borrower default indemnity provided by BlackRock, Inc. The indemnity allows for full replacement of the securities lent if the collateral received does not cover the value of the securities loaned in the event of a borrower default.

#### Currency risk

The base currency of a sub-fund is usually chosen so that it corresponds to the base currency of the reference index of the sub-fund. Consequently, the investments of a sub-fund may be acquired in currencies other than the base currency of the sub-fund if the reference index contains base values in various currencies or the provider of the reference index has decided to value the reference index in a currency other than the currency of its base values.

Where the Fund Management Company, in relation to the sub-funds, does not expressly intend to use hedging, cross-hedging or other techniques and instruments providing protection against any currency risk, exchange rate changes between the base currency of the sub-funds and their investments through fluctuations in the exchange rates of the various currencies may have a positive or negative impact on the costs of acquiring these investments. Volatility in the currency markets may be high in emerging nations.

#### Sustainability Risks

Sustainability risk is an inclusive term to designate investment risk (probability or uncertainty of occurrence of material losses relative to the expected return of an investment) that relates to environmental, social or governance issues.

Sustainability risk around environmental issues includes, but is not limited to, climate risk, both physical and transition risk. Physical risk arises from the physical effects of climate change, acute or chronic. For example, frequent and severe climate-related events can impact products and services and supply chains. Transition risk whether policy, technology, market or reputation risk arises from the adjustment to a low-carbon economy in order to mitigate climate change. Risks related to social issues can include but are not limited to labour rights and community relations. Governance related risks can include but are not limited to risks around board independence, ownership & control, or audit & tax management. These risks can impact an issuer's operational effectiveness and resilience as well as its public perception, and reputation affecting its profitability and in turn, its capital growth, and ultimately impacting the value of holdings in a sub-fund.

These are only examples of sustainability risk factors and sustainability risk factors do not solely determine the risk profile of the investment. The relevance, severity, materiality and time horizon of sustainability risk factors and other risks can differ significantly by sub-funds.

Sustainability risk can manifest itself through different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc.). By way of example, a sub-fund may invest in the equity or debt of an issuer that could face potentially reduced revenues or increased expenditures from physical climate risk (e.g. decreased production capacity due to supply chain perturbations, lower sales due to demand shocks or higher operating or capital costs) or transition risk (e.g. decreased demand for carbon-intensive products and services or increased production costs due to changing input prices). As a result, sustainability risk factors may have a material impact on an investment, may increase the volatility, affect liquidity and may result in a loss to the value of units in a sub-fund.

The impact of those risks may be higher for sub-funds with particular sectoral or geographic concentrations e.g., sub-funds with geographical concentration in locations susceptible to adverse weather conditions where the value of the investments in the sub-funds may be more susceptible to adverse physical climate events or sub-funds with specific sectoral concentrations such as investing in industries or issuers with high carbon intensity or high switching costs associated with the transition to low carbon alternatives, may be more impacted by climate transition risks.

All or a combination of these factors may have an unpredictable impact on the relevant sub-fund's investments. Under normal market conditions such events could have a material impact on the value of units of the sub-fund.

Assessments of sustainability risk are specific to the asset class and to the fund's objective. Different asset classes require different data and tools to apply heightened scrutiny, assess materiality, and make meaningful differentiation among issuers and assets. Risks are considered and risk managed concurrently, by prioritizing based on materiality and on the sub-fund's objective.

While index providers do provide descriptions of what each reference index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used.

The impacts of sustainability risk are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available.

#### Global Financial Market Crisis and Governmental Intervention

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

Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilise the financial markets is unknown. The Fund Management Company cannot predict how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on the sub-funds, the European or global economy and the global securities markets. The Fund Management Company is monitoring the situation. Instability in the global financial markets or government intervention may increase the volatility of the sub-funds and hence the risk of loss to the value of your investment.

#### Euro and Eurozone Risk

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has exacerbated the global economic crisis. Concerns persist regarding the risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, Spain and Portugal. This situation as well as the United Kingdom's referendum have raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone. The departure or risk of departure from the Euro by one or more Eurozone countries could lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of a Fund's investments. It is difficult to predict the final outcome of the Eurozone crisis. Investors should carefully consider how changes to the Eurozone and European Union may affect their investment in a Fund.

#### **Specific risks applicable to sub-funds concentrating on or investing in certain markets**

##### Concentration risk

If the reference index of a sub-fund concentrates on a certain country, region, industry, group of industries or sector, the respective sub-fund may be adversely affected by the development of these securities and may be subject to price volatility. A sub-fund which concentrates on a single country, region, industry or group of countries or industries, may be more susceptible to any individual economic, political, supervisory or market event that affects that country, region, industry or group of countries or industries.

##### Emerging markets

###### a) General

Particular risks are associated with investing in emerging nation markets. The main risks include, amongst other things: generally less liquid and less efficient securities markets, generally greater price volatility, exchange rate fluctuations and currency controls, restrictions on the export of funds or other assets, less publicly available information on issuers, taxation, higher transaction and safe-keeping costs, delays in processing and risk of loss, difficulties in enforcing contracts, less liquidity and lower market capitalizations, less well regulated markets, which leads to more volatile share prices, different accounting and disclosure standards, state intervention, higher inflation, social, economic and political uncertainty, the safe-keeping and/or processing systems may not be fully developed and mean that a sub-fund, in relation to subsidiary safe-keeping agents, may possibly be exposed to a risk for which the Custodian Bank is not liable, the risk of expropriation of assets and the risk of war.

The investments of a sub-fund may be adversely affected by the risks set out above. The value of your investments may rise or fall.

b) China

General

China is one of the world's largest global emerging markets. A sub-fund which invests in China may, like any investment in an emerging nation, be exposed to a higher risk of loss than investments in an industrialised nation. One of the reasons for this is greater market volatility, a lower volume of trade, political and economic instability, a greater risk of market closure and a higher number of state restrictions on foreign investment strategies than is usually the case in developed markets. The companies in which such a sub-fund invests are possibly subject to lower disclosure, corporate governance, accounting and reporting standards than companies on more developed markets. In addition, some of the securities held by the respective sub-fund may be subject to higher transaction costs and other costs, restrictions on foreign ownership, taxes deducted at source and other taxes, or they may have liquidity problems which make it more difficult to sell such securities at a reasonable price. These factors may increase the level of volatility and therefore the risk of loss associated with investment in such a sub-fund.

Risk of Investing in the China Interbank Bond Market through Bond Connect

Bond Connect is an initiative launched in July 2017 for mutual bond market access between the People's Republic of China ("PRC") and Hong Kong, established by the China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited ("HKEX") and Central Moneymarkets Unit. Under the prevailing regulations in the PRC, eligible foreign investors are allowed to invest in the bonds circulated in the China Interbank Bond Market through Bond Connect. Eligible foreign investors may submit trade requests for bonds circulated in the China Interbank Bond Market through offshore electronic bond trading platforms (such as Tradeweb), which will in turn transmit their requests for quotation to CFETS. Once the eligible foreign investor accepts the quotation proposed by CFETS, the trade is concluded on CFETS. The settlement and custody of bonds traded in the China Interbank Bond Market under Bond Connect will be effected through the settlement and custody link between the Central Moneymarkets Unit, as an offshore custody agent recognized by the Hong Kong Monetary Authority, and the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House, as onshore custodian and clearing institutions in the PRC. Since the introduction in August 2018 of delivery versus payment (DVP) settlement in respect of Bond Connect, the movement of cash and securities is carried out simultaneously on a real time basis. Pursuant to the prevailing regulations in the PRC, the Central Moneymarkets Unit will open omnibus nominee accounts with the onshore custody agent recognized by the People's Bank of China (i.e., the China Securities Depository & Clearing Co., Ltd and Shanghai Clearing House). All bonds traded by eligible foreign investors through Bond Connect will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Market volatility and potential lack of liquidity due to low trading volume of certain bonds in the China Interbank Bond Market may result in prices of certain bonds traded on such market fluctuating significantly. A sub-fund investing in such market is therefore subject to liquidity and volatility risks. The bid-ask spreads of the prices of such securities may be large, and a sub-fund may therefore incur significant costs and may suffer losses when selling such investments. The bonds traded in the China Interbank Bond Market may be difficult or impossible to sell, which may impact the sub-fund's ability to acquire or dispose of such securities at their expected prices. Investing in the China Interbank Bond Market through Bond Connect is also subject to regulatory risks. The relevant rules and regulations are subject to change, which may have potential retrospective effect. In the event that the relevant PRC authorities suspend account opening or trading on the China Interbank Bond Market, a sub-fund's ability to invest in the China Interbank Bond Market will be adversely affected and limited. In such event, a sub-fund's ability to achieve its investment objective will be negatively affected and, after exhausting other trading alternatives, the sub-fund may suffer substantial losses as a result.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. A sub-fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a sub-fund invests in the China Interbank Bond Market through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

On November 22, 2018, the PRC's Ministry of Finance and State Administration of Taxation jointly issued Circular 108 providing foreign institutional investors with a temporary exemption from withholding income tax and value added tax (VAT) with respect to interest income derived from non-government bonds in the domestic bond market for the period from November 7, 2018 to November 6, 2021. Circular 108 is silent on the PRC tax treatment with respect to non-government bond interest derived prior to November 7, 2018. Any changes in PRC tax law, future clarifications thereof and/or subsequent retroactive enforcement by PRC tax authorities may result in a loss, which could be material to the relevant sub-fund. The provisioning policy for tax liability will be kept under review and the Fund Management Company may in its discretion from time to time make a provision for potential tax liabilities if in its opinion such provision is warranted or as further publicly clarified by the PRC authorities in notifications. For further details on PRC taxes and associated risks, please refer to the generic risk factor headed "Taxation Risks".

Under prevailing tax regulations, a 10% withholding tax is imposed on PRC-sourced dividends and interest from non-government bonds paid to the relevant sub-fund unless the rate is reduced under an applicable tax treaty. From May 1, 2016, VAT is levied on certain income derived by the relevant sub-fund, including interest income from non-government bonds and trading gains, unless specifically exempted by the PRC tax authorities. VAT exemptions currently apply to debt securities traded in the China Interbank Bond Market. There is a risk the PRC tax authorities may withdraw the temporary tax exemptions in the future and seek to collect withholding income tax and VAT on interest income from non-government bonds to the relevant sub-fund without any prior notice. If the tax exemptions are withdrawn, any taxes arising from or to the relevant sub-fund may be directly borne by or indirectly passed on to the sub-fund and may result in a substantial impact to its NAV. As with any NAV adjustment, investors may be advantaged or disadvantaged depending on when the investors purchased or sold shares of the sub-fund.

c) Investment in Russia

For sub-funds that invest in or are exposed to investment in Russia, (potential) investors should also consider the following risk warnings which are specific to investing in or exposure to Russia: The United States, the European Union and Switzerland have instituted additional sanctions against certain Russian issuers which include prohibitions on transacting in or dealing in new debt of longer than 30 days maturity or new equity of such issuers. Securities held by a sub-fund issued prior to the date of the sanctions being imposed are not currently subject to any restrictions under the sanctions. However, compliance with each of these sanctions may impair the ability of a sub-fund to buy, sell, hold, receive or deliver the affected securities or other securities of such issuers. Sanctions may now, or in the future, result in retaliatory measures by Russia, including the immediate freeze of Russian assets held by a sub-fund. In the event of such a freeze of any sub-fund's assets, a sub-fund may not be able to pay out redemption proceeds in respect of the assets which are frozen or may need to liquidate non-restricted assets in order to satisfy redemption orders. The liquidation of a sub-fund's assets during this time may also result in a sub-fund receiving substantially lower prices for its securities. If any of the events above were to occur, the Directors may (at their discretion) take such action as they consider to be in the interests of investors in sub-funds which have investment exposure to Russia, including (if necessary) suspending trading in the sub-funds (see § 17 Issue and Redemption of Units).

d) Saudi Arabia

Saudi QFI Regime General Risks

The qualified foreign investors ("QFI") Rules were introduced in 2015. Accordingly, the application and interpretation of such



investment regulations are therefore untested and in certain material respects, there remains a lack of clarity and certainty as to how they will be applied by the regulator and/or interpreted by QFIs. Any change in the QFI regime may affect the relevant sub-fund's ability to invest in shares listed on the Saudi Stock Exchange through the Investment Manager.

#### QFI Regime Foreign Ownership Limits

The relevant sub-fund's investment in Saudi shares is dependent on the Investment Manager being able to buy and sell shares listed on the Saudi Stock Exchange. The ability of the Investment Manager to trade in Saudi listed shares is dependent on none of the prescribed foreign ownership limits being exceeded, as well as the ability of the Investment Manager and relevant sub-fund to maintain its QFI status.

In the event that a relevant foreign ownership limit is reached or exceeded, it could result in the relevant sub-fund not being able to acquire additional Kingdom of Saudi Arabia ("KSA") listed shares. Moreover, as approved QFIs are not permitted under the current QFI Rules to also be the ultimate beneficial owners of Saudi-listed securities underlying foreign direct investments ("FDI") (e.g. swaps or participation notes) traded through the Saudi swap framework, it will not be possible, in such circumstances, for the relevant sub-fund as a QFI to take indirect/synthetic exposure (e.g. via swaps or participation notes) to Saudi listed shares in addition to its physical/direct holdings. This may ultimately result in (i) the relevant sub-fund not being able to accept any further subscriptions for shares and its shares trading at a significant premium or discount to their net asset value on a stock exchange on which they are admitted to trading; and (ii) a negative or positive performance impact to the relevant sub-fund and, by extension, its investors, as compared to the reference index.

To the extent that the Investment Manager and/or the relevant sub-fund loses its QFI status or laws and regulations change such that the QFI regime is no longer available to the Investment Manager and/or the relevant sub-fund, it will be more difficult for the relevant sub-fund to achieve its investment objective. In such an event, the relevant sub-fund may use techniques to invest in securities or other instruments that are not constituents of the reference index, but which provide a similar exposure to the return of the reference index. These instruments may include offshore futures, other exchange-traded funds that would provide a similar exposure or unfunded swap agreements, which are agreements whereby a counterparty agrees to provide the relevant sub-fund with the returns of a specific exposure, i.e. the reference index, in return for a fee. Accordingly, there is a greater risk of tracking error, which may result in a negative or positive performance impact to the relevant sub-fund and its investors.

#### Investment in Saudi Arabia

The KSA is currently an emerging market economy. Accordingly, it differs from the economies of most developed countries and investing in the KSA may be subject to greater risk of loss than investments in developed markets due to, among other factors, political and economic instability and greater limitations on foreign investment than those found in a developed market. Also, the KSA legal system is based on Shari'ah law and, accordingly, issuers of the securities in which the relevant sub-fund invests may be held to different disclosure, corporate governance, accounting and reporting standards than those in developed markets with different legal systems. Any political changes, social instability and adverse diplomatic developments which may take place in or in relation to the KSA could result in economic sanctions, the imposition of additional governmental restrictions, expropriation of assets, confiscatory taxes or nationalisation of some or all of the constituents of the reference index. Investors should also note that any change in the policies of the government and relevant authorities of the KSA may adversely impact the securities markets in the KSA as well as the performance of the relevant sub-fund, compared to the reference index.

#### Index Tracking Risk - QFI Regime

The relevant sub-fund's return may deviate from the return of the reference index for various reasons, for example, the revocation of the QFI status, the inability of the Investment Manager to trade in one or more Saudi listed issuer due to a foreign ownership threshold having been reached or exceeded, the allocation of investment in Saudi listed shares by the Investment Manager to other funds under its management, the investment limitations imposed by KSA laws and regulations, temporary or permanent suspension of particular securities imposed from time to time by the stock exchange in the KSA, the liquidity of the underlying market, taxation implications, regulatory changes in the KSA that may affect the Fund Management Company's (or its delegate's) ability to reflect the return of the reference index and any foreign exchange costs.

#### Electronic Trading Platform Risk - Tadawul

KSA brokers submit trade orders through an electronic system which is linked and received by Tadawul's system. The use of electronic systems by the broker or Tadawul is subject to software, hardware, or communication failure which may cause halts or delays in acquiring the intended securities for the relevant sub-fund.

#### Trading Prohibition

If there is an unexecuted purchase or sell trade in respect of any KSA security then an opposing trade via the same custodial account for the same KSA security will be rejected in the market (the "KSA Trading Prohibition"). Therefore, any trading activity that triggers the KSA Trading Prohibition may cause a delay in trading. This may impact the relevant Fund's ability to rebalance and cause an increase of its tracking error.

#### Investments in smaller companies

Securities in smaller companies tend to suffer greater volatility and lower liquidity than securities in large companies. Since securities in smaller companies may be subject to higher price volatility than securities in larger companies, the net asset value of sub-funds which invest in small companies can reflect this volatility. Small companies may, compared to larger companies, have a shorter company history, fewer opportunities to raise additional capital and a less diversified product line, so they are more exposed to market pressure and have a smaller public market for their securities available to them.

Investments in smaller companies may be associated with relatively higher investment costs, which is why investment in sub-funds that invest in smaller companies should be regarded as a long-term investment. However, such sub-funds may dispose of an investment made within a relatively short period in order, for example, to carry out redemption orders.

The investments of a sub-fund may be adversely affected by the risks set out above. The value of your investments may rise or fall.

#### Investments in Japan

Japan is located in a part of the world that has historically been prone to natural disasters, such as earthquakes, volcanoes, and tsunamis, and is economically sensitive to environmental events. In association, the nuclear power plant catastrophe in March 2011 may have short-term and long-term effects on the nuclear energy industry, the extent of which are currently unknown. As with other countries, Japan may be subject to political and economic risks. Historically, Japan has had unpredictable national politics and has experienced frequent political turnover. Political developments may lead to changes in policy which might adversely affect a Fund's investments. The Japanese economy is heavily dependent on foreign trade and can be adversely affected by trade tariffs and other protectionist measures. In addition, some Japanese reporting, accounting and auditing practices vary from the accounting principles generally accepted in other developed countries. Any of these risks, individually or in the aggregate, could result in a significant adverse impact on the Japanese economy and the securities to which a Fund has exposure and, in turn, result in a loss to your investment.

#### **Risks associated with investing in equity funds**

##### Share values

The share values fluctuate daily and a sub-fund which invests in shares could suffer considerable losses. Share prices may be

influenced by factors that affect the development of the individual companies that issue these shares and by daily movements in the share market and more general economic and political developments. These include, amongst other things, trends relating to economic growth, inflation and interest rates and published company profits, demographic trends and natural disasters.

#### Depository receipts

American Depository Receipt ("ADR") and Global Depository Receipt ("GDR") should offer a commitment in relation to the securities underlying them.

The asset manager may, in certain situations, use ADRs and GDRs in order to build up a commitment in underlying securities of the reference index, for example if the underlying securities cannot be held directly or are unsuitable for direct investment or if direct access to the underlying securities is restricted or limited. In such cases, however, the asset manager cannot guarantee that a similar result will be achieved as in the case of direct investment in the securities because ADRs and GDRs do not always develop in parallel with the underlying security.

In the event of the suspension or closure of one or more markets in which the underlying securities are held, there is the risk that the value of the ADRs or GDRs will not precisely reflect the value of the respective underlying securities. There may also be circumstances under which the asset manager cannot invest in an ADR or GDR or it is unreasonable to do so or circumstances under which the characteristics of ADRs or GDRs do not precisely reflect the underlying security.

If a sub-fund invests in ADRs and GDRs under the circumstances described above, the tracking of the reference index by the sub-funds may be adversely affected, i.e. there is the risk that the yield of the sub-fund will differ from the yield of the reference index.

#### Suspension risk on local markets

In certain markets, trading on the local exchange may be carried out by one or a small number of local market account holders. If such account holder(s) fail(s) to deliver securities or monies in relation to a trade, there is a risk of suspension in relation to all sub-funds which effect their trading on the local market through such account holder(s). This risk may be increased where a sub-fund participates in a securities lending programme. Suspension in either case may increase the costs of the sub-fund.

### **Risks associated with investing in fixed income funds**

#### Fixed Income Transferable Securities

Debt securities are subject to both actual and perceived measures of creditworthiness. The amount of credit risk may be assessed using the issuer's credit rating which is assigned by one or more independent rating agencies. This does not amount to a guarantee of the issuer's creditworthiness but provides an indicator of the likelihood of default. Securities which have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. Companies often issue securities which are ranked in order of seniority which in the event of default would be reflected in the priority in which investors might be paid back. The "downgrading" of an investment grade 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 sub-fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect the sub-fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a sub-fund may experience losses and incur costs.

#### Duration Risk

Where a sub-fund invests in bonds it is subject to the risk that the value of its investments will change due to a change in the level of interest rates. Rising interest rates will lead to falling bond prices, while declining interest rates will lead to rising bond prices. Duration is a measure of the sensitivity of the price (the value of principal) of a bond to a change in interest rates and is expressed in number of years.

#### Government Bonds

A sub-fund may invest in government bonds which pay a fixed rate of interest (also known as the 'coupon') and behave similarly to a loan. These bonds are therefore exposed to changes in interest rates which will affect their value. In addition, periods of low inflation will mean the positive growth of a government bond fund may be limited. Investments in government bonds may be subject to liquidity constraints and periods of significantly lower liquidity in difficult market conditions. Therefore it may be more difficult to achieve a fair value on purchase and sale transactions which may cause the asset manager not to proceed with such transactions. As a result, changes in the value of the sub-fund's investments may be unpredictable.

#### Sovereign and Quasi-sovereign Debt

Sovereign debt includes securities issued by or guaranteed by a sovereign government. Quasi-sovereign debt includes securities issued by or guaranteed by an entity affiliated with or backed by a sovereign government. The governmental entity that controls the repayment of sovereign or quasi-sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the state of its country's economy, the relative size of the debt service burden to the economy as a whole, restrictions on its ability to raise more cash, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject.

Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability to service its debt on a timely basis.

Consequently, governmental entities may default on their sovereign debt or quasi-sovereign debt. Holders of sovereign or quasi-sovereign debt, including a fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. Quasi-sovereign debt obligations are typically less liquid and less standardized than sovereign debt obligations. There is no bankruptcy proceeding by which this debt may be collected in whole or in part. Banks, Governments and companies (including within the EEA) invest in each other so if one member state performs poorly, the others countries could be impacted. If one country defaults on its debt obligations, other countries could be at risk.

#### Corporate Bonds

A sub-fund may invest in corporate bonds issued by companies within a range of credit worthiness if the relevant sub-fund's reference index does not apply any minimum credit rating requirement to its constituents. Corporate bonds may be upgraded or downgraded from time to time due to a perceived increase or reduction in the credit worthiness of the companies issuing the bonds. Where the reference index of a sub-fund imposes specific credit rating requirements for bonds to be included in the reference index (e.g. investment grade bonds or non/sub investment grade bonds) and bonds that make up the reference index are downgraded, upgraded or have their credit ratings withdrawn by the relevant credit rating agencies such that they no longer meet the credit rating requirements of the reference index, the sub-fund may continue to hold the relevant bonds until such time as these bonds cease to form part of the sub-fund's reference index and the sub-fund's position in such bonds can be liquidated. Sub-investment grade bonds are generally riskier investments, involving a higher risk of default by the issuer, than investment grade bonds. A default by the issuer of a bond is likely to result in a reduction in the value of that sub-fund. Although a sub-fund may invest in bonds that are traded on the secondary market, the secondary market for corporate bonds can often be illiquid and therefore it may be difficult to achieve fair value on purchase and sale transactions. Cash interest rates vary over time. The price of bonds will generally be affected by changing interest rates and credit spread which in turn may affect the value of your investment. Bond prices move inversely to interest rates, so generally speaking the market value of a bond will decrease as interest rates increase. The credit rating of an issuing company will generally affect the yield that can be earned on a bond; the better the credit rating the smaller the yield.

#### Non-Investment Grade Bonds

Bonds with no investment rating and sub-investment grade bonds, and by extension any sub-fund which holds such bonds, are generally subject to greater levels of credit or default risk, than higher rated bonds. A default by the issuer of a bond may involve a full loss of the value of the respective bonds, which is likely to result in a reduction in the net asset value of the relevant sub-fund. The price of such bonds will generally be affected by changing interest rates and credit risk.

Investors should carefully consider the relative risks of investing in a sub-fund which invests in such bonds and understand that such investments generally are not meant for short-term investing. It is possible that the sub-fund may find it more difficult to sell such bonds or may be able to sell the bonds only at prices lower than if such bonds were widely traded. Furthermore, the sub-fund may experience difficulty in valuing certain securities at certain times. Prices realised upon the sale of such lower rated bonds, under these circumstances, may be less than the prices used in calculating the net asset value.

Where the reference index of a sub-fund does not require a minimum credit rating for its constituents, this may result in the relevant sub-fund investing up to 100% of its assets in bonds that have no investment grade rating or that have a sub-investment grade rating (incl. junk bonds), as per reference index.

#### Covered Bonds

Where a sub-fund invests in covered bonds, the Fund Management Company will seek to invest in high quality bonds. There is, however, no guarantee that such covered bonds will be free from counterparty default and the risks associated with counterparty default apply. Any deterioration in the assets backing a bond may result in a reduction in the value of the bond and, therefore, the relevant sub-fund. Additionally, a default by the issuer of a bond may result in a reduction in the value of the relevant sub-fund. The price of bonds will generally be affected by changing interest rates and credit spread.

#### Illiquidity of Bonds Close to Maturity

In addition to the liquidity risks of bonds already described, there is a risk that bonds which are nearing maturity may become illiquid. In such cases, it may become more difficult to achieve fair value on the purchase and sale thereof.

#### **Specific risks of ESG Screen Reference Indices (ESG Sub-funds)**

With respect to the sub-funds iShares SBI® ESG AAA-BBB Bond Index Fund (CH), iShares World ex Switzerland ESG Screened Equity Index Fund (CH) and iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH), which have an explicit ESG investment strategy, as specified under cipher 1.9.1 let. b), g) and j) respectively, the reference indices calculated by the index provider based on ESG and other sustainability factors exclude certain securities, companies or issuers based on a methodology defined by the respective index provider. Investors should make a personal ethical assessment of the extent of ESG-related screening undertaken by the reference index as specified under cipher 6.3 prior to investing in the respective sub-fund. Screening of companies for inclusion within the reference index is carried out by the index provider based on the index provider's ESG-related ratings and screening criteria. Neither the Fund Management Company nor the Investment Manager makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the index provider's ESG-related ratings, screening criteria or the way they are implemented. For the avoidance of doubt, none of the respective sub-funds, the Fund Management Company nor the Investment Manager will monitor the companies that comprise the reference index against the screening criteria applied by the index provider or assess the validity of the ESG-related ratings given by the index provider to each company. This risk factor applies to the same extent to the sub-funds mentioned in this paragraph.

#### **Specific Risk relating to BlackRock's EMEA Baseline Screens Policy**

The sub-fund BlackRock US Dollar Liquidity Fund (CH) will, in addition to other investment criteria set out in its investment policy, take into account specific screening characteristics when selecting the sub-fund's investments, in accordance with BlackRock's EMEA Baseline Screens Policy as further described under cipher 6.3.

The sub-fund's investment policy is expected to include the application of exclusionary criteria pursuant to BlackRock's EMEA Baseline Screens Policy, which may result in such sub-fund foregoing opportunities to purchase, or otherwise reducing exposure to or underweighting, certain securities when it might otherwise be advantageous to carry out such purchase or maintain its holding of such securities, and/or selling securities due to their respective characteristics, when to do so might otherwise be disadvantageous. As such, the use of the baseline screens criteria may affect the sub-fund's investment performance and the sub-fund may perform differently compared to similar funds that do not apply such criteria. If the Investment Manager's assessment of a security under the baseline screens changes, guiding the Investment Manager to sell a security already held or to buy a security not held, none of the sub-fund, the Fund Management Company, the Investment Manager or their affiliates accept liability in relation to that assessment. Furthermore, investors should note that relevant exclusions might not correspond directly with investors' own subjective ethical views.

In assessing a security, issuer or index based on BlackRock's EMEA Baseline Screens, the Investment Manager may be dependent upon information and data from third party research providers, which may be incomplete, inaccurate or unavailable. It may also seek to rely on its own proprietary models which may similarly rely on information which is incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may incorrectly assess a security, issuer or index. There is also a risk that the Investment Manager, or third party research providers on which the Investment Manager may depend, may not interpret or apply the relevant screening correctly. None of any relevant sub-fund, the Fund Management Company, the Investment Manager or any of their affiliates makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the application of BlackRock's EMEA Baseline Screens.

#### **Specific risks of using derivatives**

Each sub-fund may use derivatives for the purposes of efficient portfolio management or, if part of a sub-fund's investment strategy,

for direct investment purposes. Certain particular risks are associated with these instruments and investors may be exposed to a higher risk of loss. This may, amongst other things, be a credit risk in relation to counterparties with whom the sub-fund concludes transactions, or a settlement risk, a lack of liquidity of derivatives, incomplete tracking of the change in value of the underlying security, which the sub-funds wants to reflect, through the change in value of the derivative or may also be higher transaction costs than in the case of direct investment in the underlying securities.

In accordance with standard practice in the industry, a sub-fund may be obliged, when purchasing derivatives, to secure its obligations in respect of its counterparty. This may mean, in the case of incompletely financed derivatives, that contribution margins and/or variation margins have to be lodged with the counterparty. In the case of derivatives in which a sub-fund has to lodge assets as a contribution margin with a counterparty, these assets are possibly not managed separately from the assets of the counterparty, and if these assets are freely exchangeable and replaceable, the sub-funds may possibly only be entitled to the return of equivalent assets instead of the assets originally lodged with the counterparty as a margin. If the counterparty demands excess margins or collateral, these contributions or assets may exceed the value of the obligations of the respective sub-fund with respect to the counterparty. As the conditions of a derivative may stipulate that a counterparty must provide the other counterparty with security to cover the risk of fluctuating margins resulting from the derivative only if a specific minimum amount is reached, the sub-fund possibly also bears any unsecured risk with respect to a counterparty within the framework of a derivative up to the level of this minimum amount.

The following additional risks, amongst others, may be associated with investing in derivatives: A counterparty may breach its obligations to provide collateral or the situation may arise, for operational reasons (such as intervals between the calculation of the risk for the provision of additional or alternative collateral by a counterparty or the sale of collateral in the event of the failure of a counterparty), where the credit risk of a sub-fund with respect to its counterparty within the framework of a derivative is not fully secured. The use of derivatives may also expose the sub-funds to a legal risk. This is the risk of loss resulting from the unexpected application of a legal provision or resulting from the fact that a court rules that a contract is not legally enforceable.

### **Other general risks**

#### Liability Risk of the Sub-Funds

The umbrella fund is structured such that there is separate liability between the sub-funds. Under Swiss law, the assets of a sub-fund are not available to settle the obligations of another sub-fund. However, the umbrella fund is a single legal construct which may operate in other legal systems which do not necessarily recognise this division of liability, have assets held in its name or be subject to claims. On the date of this Annex, the supervisory board is unaware of any such obligation or possible obligation.

#### Liquidity Risk

A sub-fund's investments may be subject to liquidity constraints, which means they may trade less frequently and in small volumes. Securities of certain types, such as bonds and mortgage-backed instruments, may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable. In certain cases, it may not be possible to sell the security at the price at which it has been valued for the purposes of calculating the net asset value of the sub-fund or at a value considered to be fairest. Reduced liquidity of a sub-fund's investments may result in a loss to the value of your investment.

#### Dealing Day Risk

As foreign exchanges can be open on days which are not dealing days or on valuation days when a sub-fund may have suspended calculation of its net asset value and the subscription and redemption of units and, therefore, units in the sub-fund are not priced, the value of the securities in the sub-fund's portfolio may change on days when a sub-fund's units will not be able to be purchased or sold.

#### Taxation risks

Potential investors are informed of the taxation risks associated with investing in a sub-fund. Changes in tax legislation may adversely affect the sub-funds/fund.

The tax information provided in this document is based, to the best knowledge of the Fund Management Company, on the tax law and the tax practice applicable on the date of this fund contract. Tax laws, the tax status of the sub-fund, the taxing of investors and any tax concessions and the consequences of this tax status and these tax concessions may change from time to time. Changes in tax laws in Switzerland or another sovereign territory in which a sub-fund is potentially registered, is marketed or is invested could affect the tax status of the sub-fund, the value of the investments of the sub-fund in the sovereign territory concerned and the ability of the sub-fund to achieve its investment target and/or change the after-tax yield for the unit holders. If a sub-fund invests in derivatives, the previous sentence may also apply to sovereign territories in which the right of the derivative contract and/or of the derivative counterparty applies, and/or the right of the market or markets in which the base value or the base values of the derivative is traded. The sub-funds may be subject to taxes deducted at source or other taxes on the earnings and/or profits from their investment portfolio. If the sub-fund invests in securities which, at the time of acquisition, are not subject to any taxes deducted at source or other taxes, it cannot be assured that, in the future, no changes in the relevant legal provisions, agreements, rules or specifications or the interpretation thereof will lead to taxes being levied. The Fund Management Company may possibly not be in a position to receive a rebate for such taxes and any such change could adversely affect the net asset value of the units.

The obtainability and level of tax concessions available to investors depend on the personal circumstances of the investors. The information provided in this document is not exhaustive and does not constitute legal or tax advice. Potential investors are urgently advised to speak to their tax advisers in relation to their individual tax position and the tax implications of investing in the sub-funds. Investors should also read the information set out under the heading "FATCA and other cross-border reporting systems", particularly in relation to the consequences of the umbrella fund being unable to comply with the terms of such reporting systems.

#### a) Tax duties in new legal systems

If a sub-fund invests in a legal system in which the tax legislation is not fully developed or sufficiently reliable, e.g. in the Middle East, the Fund Management Company, the respective sub-fund, the asset manager and the Custodian Bank are not obliged to provide accounts to all unit holders with regard to all payments made by the Fund Management Company or the sub-fund in good faith for taxes or other costs of the Fund Management Company or of the respective sub-fund to tax authorities, even if it is later established that these payments did not have to be made or should not have been made.

Conversely, any interest or administrative fines that may possibly be incurred are likewise charged to the respective sub-fund if the sub-fund pays taxes retrospectively for previous years on the basis of essential uncertainty over the tax debt, the following of best or, if no best practice has been established, usual practice in the market, which are subsequently challenged, or the lack of a fully developed mechanism for the practical and timely payment of taxes. Such taxes paid late are normally charged to the sub-fund if the decision is made to estimate the obligation in the sub-fund's books.

#### b) Tax dealings of the index provider

Investors should be aware that the performance of sub-funds compared to a reference index may be impaired if the assumptions made by the respective index provider in the method it uses to calculate the index differ in relation to taxation from the actual tax treatment of the underlying securities owned by the sub-fund in the benchmark.

#### Currency Risk – Unit Class Currency

Certain Unit Classes of certain sub-funds may be denominated in a currency other than the Base Currency of the relevant sub-fund. In addition, the sub-funds may invest in assets denominated in currencies other than the Base Currency. Therefore changes in exchange rates may affect the value of an investment in the sub-funds and/or certain unit classes.

#### Currency Hedged Unit Classes

While the Investment Manager (or its delegate) may seek to hedge currency risks, there can be no guarantee that it will be successful in doing so and the hedging could result in mismatches between the currency position of the relevant sub-fund and the currency hedged unit class.

A hedging strategy may be entered into where the currency of the relevant asset of a sub-fund is declining or increasing in value relative to the relevant currency of the currency hedged unit class. Where such hedging is undertaken it could substantially protect unitholders in the relevant unit class against a decrease in the value of the currency of the relevant asset of the sub-fund relative to the currency hedged unit class currency, but it may also preclude unitholders from benefiting from an increase in the value of the currency of the relevant asset of a sub-fund.

All gains/losses or expenses arising from hedging transactions are materially borne separately by the unitholders of the respective currency hedged unit classes. However, given that there is no segregation of liabilities between unit classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to one unit class could impact the net asset value of the other unit classes of the same sub-fund.

#### Potential implications of Brexit

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

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

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

## **1.15 Liquidity Risk Management**

The Fund Management Company has implemented an appropriate liquidity risk management to monitor the liquidity of the sub-funds on a monthly basis. The Fund Management Company monitors the liquidity risks of the sub-funds under different scenarios based on defined liquidity thresholds. The monitoring process is designed to filter funds that may have greater exposure to liquidity/redemption risk than other funds. The filtered funds are reviewed by risk managers in more detail. The liquidity screening process is based on up-to-date data and a wide range of liquidity measures are used, including (but not limited to) days to trade, redemption coverage ratio as well as liquidity stress testing. The liquidity risks identified are disclosed in cipher 1.14 "Risk factors".

## **2 Information on the Fund Management Company**

### **2.1 General Information on the Fund Management Company**

The Fund Management Company of the umbrella fund and sub-funds is BlackRock Asset Management Schweiz AG.

The Fund Management Company is a Swiss stock corporation, which was originally registered on 17 June 2005 in the Commercial Register in Canton Geneva as Barclays Global Investors Schweiz AG. The Fund Management Company's registered office was moved to Zurich on 6 December 2006. The Fund Management Company was acquired by BlackRock Inc. on 1 December 2009 and renamed BlackRock Asset Management Schweiz AG. The Fund Management Company has been active in the international fund business since 2014 as the fund management company of the Swiss BlackRock funds

### **2.2 Additional Information on the Fund Management Company**

As at 31 December 2022, the Fund Management Company manages 23 Swiss domiciled collective investment schemes, with assets under management of about USD 17 billion.

The Fund Management Company BlackRock Asset Management Schweiz AG is registered with the US tax authorities as a "registered deemed compliant FFI" within the meaning of the agreement between Switzerland and the United States on cooperation to simplify the implementation of FATCA (Foreign Account Tax Compliance Act) "Swiss/US IGA". Investors should also read the information set out under the heading "FATCA and other cross-border reporting systems", particularly in relation to the consequences of the umbrella fund being unable to comply with the terms of such reporting systems.

Address: BlackRock Asset Management Schweiz AG,  
Bahnhofstrasse 39,  
CH-8001 Zurich  
Website: www.blackrock.ch

### **2.3 Governing bodies**

The members of the governing bodies of BlackRock Asset Management Schweiz AG are:

#### **Board of Directors**

- Michael Rüdiger, Chairman

- Mirjam Staub-Bisang, Vice-Chairman and Delegate
- Barry O'Dwyer, member
- Ellen Bakke Mawdsley, member
- Soren Mose, member

#### **Executive Committee**

- Mirjam Staub-Bisang, CEO
- Birgit Ludwig, COO
- Jasmin Djalali, member, Legal & Compliance
- Ed Gordon, member, iShares & Wealth
- Serge Lauper, member, Investment Management Infrastructure
- Frank Rosenschon, member, Institutional Client Business
- Holger Schmidt, member, Product Oversight and Governance
- Robert Majewski, member, Risk and Quantitative Analysis

## **2.4 Subscribed and Paid-in Capital**

The fully paid in share capital of the Fund Management Company was CHF 1'000'000 on 31 December 2022, divided into 1'000 registered shares with a value of CHF 1'000 each.

The Fund Management Company is part of the BlackRock Group, of which BlackRock Inc. (listed on a stock exchange in the USA) is the ultimate parent company.

## **2.5 Delegation and Sub-Delegation of Investment Decisions and Other Specific Tasks**

### **Delegation to BlackRock Advisors (UK) Limited**

Investment decisions in respect of the below sub-funds have been delegated to BlackRock Advisors (UK) Limited.

- iShares World ex Switzerland Equity Index Fund (CH)**
- iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH)**
- iShares Emerging Markets Equity Index Fund (CH)**
- iShares SBI® ESG AAA-BBB Bond Index Fund (CH)**
- iShares Emerging Markets Bond Index Fund (CH)**
- iShares Japan Equity Index Fund (CH)**
- iShares World ex Switzerland ESG Screened Equity Index Fund (CH)**
- iShares World ex Switzerland Equity Index Fund II (CH)**

### **Delegation to BlackRock Advisors (UK) Limited with a Sub-Delegation to BlackRock Asset Management Deutschland AG**

Investment decisions in respect of the below sub-funds have been delegated to BlackRock Advisors (UK) Limited and BlackRock Advisors (UK) Limited has further sub-delegated the investment decisions to BlackRock Asset Management Deutschland AG:

- iShares SPI® Equity Index Fund (CH)**
- iShares SMI® Equity Index Fund (CH)**
- iShares SPI® Equity Index Fund NoL (CH)**

### **Delegation to BlackRock Capital Management Inc.**

Investment decisions in respect of the below sub-funds have been delegated to BlackRock Capital Management Inc.

#### **BlackRock Systematic Australian Equity Fund**

### **Delegation to BlackRock Capital Management Inc. with a Sub-Delegation to BlackRock Advisors (UK) Limited**

Investment decisions in respect of the below sub-fund have been delegated to BlackRock Capital Management Inc. and BlackRock Capital Management Inc. has further sub-delegated the investment decisions to BlackRock Advisors (UK) Limited:

#### **BlackRock US Dollar Liquidity Fund (CH)**

Further, the Fund Management Company has delegated parts of the fund administration to State Street Bank International GmbH, Munich, Zurich Branch (the "Fund Administration").

The Fund Management Company may appoint delegates to provide currency hedging services. In relation to those sub-funds offering currency hedged unit classes, currency hedging has been delegated to BlackRock Advisors (UK) Limited. BlackRock Advisors (UK) Limited has appointed State Street Bank and Trust Company, London Branch, to provide currency hedging services for the sub-funds' hedged unit classes.

The Fund Management Company may, according to § 3 cipher 6 of the fund contract, manage part or all of the assets of different sub-funds jointly (pooling), given that the assets are held in safe-keeping by the same custodian bank.

## **2.6 Exercising of Membership and Creditors' Rights**

The Fund Management Company exercises the memberships' rights (voting rights) and creditors' rights associated with the investments of the sub-funds it manages independently and exclusively in the interests of the investors. The Fund Management Company will, upon request, provide the investors with information on exercising of membership and creditors' rights.

In the case of scheduled routine transactions, the Fund Management Company is free to exercise membership and creditors' rights itself or to delegate their exercise to the Custodian Bank or a third party.

In the case of all other events that might have a lasting impact on the interests of the investors, such as, in particular, the exercise of membership and creditors' rights the Fund Management Company holds as a shareholder or creditor of the Custodian Bank or another related legal entity, the Fund Management Company will exercise the voting rights itself or issue explicit instructions. In such cases, it may base its actions on information it receives from the Custodian Bank, the portfolio manager, the company or from proxy advisers and other third parties, or on information it learns from the press.

The Fund Management Company is free to waive the exercise of membership and creditors' rights.

### **3 Information on the Custodian Bank**

#### **3.1 General information on the Custodian Bank**

The Custodian Bank is State Street Bank International GmbH, Munich, Zurich Branch, Beethovenstrasse 19, CH-8027 Zurich. The Custodian Bank is a bank within the meaning of the Swiss Federal Law on Banks and Savings Banks (Bundesgesetz über die Banken und Sparkassen) and meets the requirements of Art. 72 CISA. The Custodian is a branch of State Street Bank International GmbH, Munich, a bank organized under German law, which is itself an indirect subsidiary of State Street Corporation, Boston (MA). The equity of State Street Bank International GmbH, Munich amounted to EUR 109,368,445.00 as at 31 December 2022.

#### **3.2 Further information on the Custodian Bank**

The main activities of State Street Bank International GmbH, Munich, Zurich Branch are:

- Custodian bank for Swiss investment funds,
- Global securities administration for Swiss and foreign institutional clients and investment funds or other open-ended or closed-ended collective investment schemes,
- Paying agent and representative function for Swiss and foreign investment funds,
- Payment transactions for institutional clients,
- Lending business in connection with global securities administration or custodian bank business.

The Custodian Bank may delegate the safekeeping of the assets of the sub-funds to third-party custodians and central securities depositories in Switzerland and abroad, provided this is in the interests of proper safekeeping. This entails the following risks, among others: settlement risks, i.e. the untimely receipt or delivery of securities, country risk in the event of insolvency and, especially in emerging markets, political risks. In relation to financial instruments, the fund assets may only be transferred to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the transfer to regulated third-party custodians or central securities depositories is not possible, in particular due to mandatory legal provisions or the modalities of the investment product. The use of third-party custodians and central securities depositories means that deposited securities are no longer owned solely by the Fund Management Company, which instead becomes only a co-owner. If the third-party custodians and central securities depositories are not supervised, they are unlikely to meet the organizational requirements applied to Swiss banks. The Custodian Bank is liable for damage or loss caused by its agents unless it is able to prove that it exercised the due diligence required in the circumstances in respect of selection, instruction, and monitoring.

The Custodian Bank is registered with the US tax authorities as a "participating foreign financial institution (pFFI)" within the meaning of the agreement between Switzerland and the United States on cooperation to simplify the implementation of FATCA (Foreign Account Tax Compliance Act) "Swiss/US IGA" and of Section 1471–1474 of the US Internal Revenue Code, including related decrees. The Custodian Bank is a "Reporting Financial Institution under Model 2 IGA" and the FATCA GIIN number is JR3CY0.99999.SL.756. Investors should also read the information set out under the heading "FATCA and other cross-border reporting systems", particularly in relation to the consequences of the umbrella fund being unable to comply with the terms of such reporting systems.

The Custodian Bank is part of an international enterprise. In connection with the execution of subscriptions and redemptions and the maintenance of business relations, data and information on clients, their business relation to the Custodian Bank (including information about the beneficial owner) as well as about the business dealings in accordance with applicable laws may be forwarded to group companies of the Custodian Bank outside Switzerland, to its delegates and agents outside Switzerland, to the Fund Management Company. By subscribing for a unit, the investor agrees that the Fund Management Company and any person acting on behalf of the fund may inspect all information concerning the place of custody and the number of units. These service providers and the Fund Management Company are obliged, to keep and treat the information confidential and to use the received information and data exclusively for the aim, they have been provided to the service providers. The data protection regulations outside Switzerland may deviate from the Swiss regulations and do not meet the standard of Swiss data protection regulations.

### **4 Information on Third Parties**

#### **4.1 Paying Agents**

The paying agent is: State Street Bank International GmbH, Munich, Zurich Branch, Beethovenstrasse 19, CH-8027 Zurich.

#### **4.2 Distributors**

The Fund Management Company is entitled to appoint distributors.

#### **4.3 Delegation and Sub-Delegation of Investment Decisions and Other Specific Tasks**

Details on the delegation and sub-delegation are provided under cipher 2.5. of this prospectus.

BlackRock Advisors (UK) Limited, London, United Kingdom, is a subsidiary of BlackRock, Inc. It is authorized and regulated in the UK by the Financial Conduct Authority (the "FCA") to carry on investment management business and as such is subject to FCA rules.

BlackRock Asset Management Deutschland AG, Munich, Germany, is a subsidiary of BlackRock, Inc. It is a capital management company as defined in the German Capital Investment Code (Kapitalanlagegesetzbuch – "KAGB") authorised and regulated by the German Federal Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin") for the purposes of managing

investment funds, including externally managed investment stock corporations in accordance with the UCITS Directive and providing portfolio management services to third parties.

BlackRock Capital Management Inc., Delaware, USA, is a subsidiary of BlackRock, Inc. It is authorized and regulated in the USA by the U.S. Securities and Exchange Commission (the "SEC") to carry on investment management business and as such is subject to SEC rules.

The precise duties involved are laid down in asset management agreements between the Fund Management Company and BlackRock Advisors (UK) Limited and the Fund Management Company and BlackRock Capital Management Inc., respectively, as well as sub-asset management agreements between BlackRock Advisors (UK) Limited and BlackRock Asset Management Deutschland AG and BlackRock Capital Management Inc. and BlackRock Advisors (UK) Limited, respectively.

State Street Bank International GmbH, Munich, Zurich Branch is characterized by its extensive experience in fund administration in various international fund locations.

A contract concluded between the Fund Management Company and State Street Bank International GmbH, Munich, Zurich Branch regulates the exact execution of the mandate including the delegation of the following tasks: calculation and reporting of the net asset value; determination of the issue and redemption prices; operation of and access to the portfolio compliance system; creation of semi-annual and annual reports.

## 5 Further Information

### 5.1 Key Data

Accounting currency    cf. Special Sections and Summary Table

### 5.2 Publication of Official Notices by the Umbrella Fund and Sub-funds

Further information on the umbrella fund and the sub-funds may be found in the latest annual or semi-annual report. The latest information can also be found on the internet at [www.blackrock.ch](http://www.blackrock.ch).

In the event of a change to the fund contract, a change in the Fund Management Company or the Custodian Bank or the dissolution of the sub-funds, the corresponding notice will be published by the Fund Management Company on the electronic fundinfo platform ([www.fundinfo.com](http://www.fundinfo.com)).

Prices are published daily on the electronic fundinfo platform ([www.fundinfo.com](http://www.fundinfo.com)) and possibly also in other Swiss and international newspapers and electronic media.

### 5.3 Sales Restrictions

With respect to the issue and redemption of units of the sub-funds outside Switzerland, the regulations valid in the country in question apply.

Units of the sub-funds may not be offered, sold or delivered within the United States. Units of this collective investment scheme may not be offered, sold or delivered to citizens and/or residents of the United States of America and/or persons or entities whose income and/or revenue, irrespective of source, is subject to US income tax, including those deemed to be US persons under Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act, as amended.

## 6 Further Investment Information

### 6.1 Profile of the Typical Investor

iShares World ex Switzerland Equity Index Fund (CH), iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH), iShares Emerging Markets Equity Index Fund (CH), iShares SPI® Equity Index Fund (CH), iShares SMI® Equity Index Fund (CH), iShares SBI® ESG AAA-BBB Bond Index Fund (CH), iShares Emerging Markets Bond Index Fund (CH), iShares Japan Equity Index Fund (CH), iShares World ex Switzerland ESG Screened Equity Index Fund (CH) iShares World ex Switzerland Equity Index Fund II (CH) and iShares SPI® Equity Index Fund NoL (CH) are sub-funds suitable for investors with a long-term horizon who are primarily seeking to track the respective reference index.

BlackRock Systematic Australian Equity Fund is a sub-fund suitable for investors with a long-term horizon who wish to invest in a fund that generally seeks to provide long-term returns in excess of the total rate of return of the reference index.

Investors must be prepared to see the net asset value of fund units undergo sharp fluctuations and sustained declines. They are aware of the main risks of an equity investment or a bond investment.

BlackRock US Dollar Liquidity Fund (CH) is suitable for investors who wish to invest in high-quality, short-term fixed-income securities and seek to obtain a return in line with money market rates.

### 6.2 ESG Integration, Investment Stewardship and ESG Sub-funds

#### ESG Integration

Environmental, Social and Governance (ESG) investing, is often conflated or used interchangeably with the term "sustainable investing." BlackRock has identified sustainable investing as being the overall framework and ESG metrics as a data toolkit for identifying and informing BlackRock's solutions. BlackRock has defined ESG Integration as the practice of incorporating material ESG information and sustainability risks into investment decisions in order to enhance risk-adjusted returns. BlackRock recognises the relevance of material ESG information across all asset classes and styles of portfolio management. The asset manager may incorporate sustainability considerations in its investment processes across all investment platforms. ESG information and sustainability risks are included as a consideration in index selection, portfolio review and investment stewardship processes.

The index sub-funds are managed to minimize the performance tracking difference versus an underlying index. BlackRock's index platform offers sub-funds with sustainability objectives, which have either the objective to avoid certain issuers or gain exposure to issuers with better ESG ratings, an ESG theme, or to generate positive environmental or social impact (Sustainable Suite). BlackRock



considers the suitability characteristics and risk assessments of the index provider and BlackRock may adapt its investment approach appropriately in line with the sub-fund's investment objective and policy. BlackRock also manages funds that do not have these explicit sustainability objectives. Across all index sub-funds, ESG integration includes:

- Engagement with index providers on matters of index design and broader industry participation on ESG considerations
- Transparency and reporting, including methodology criteria and reporting on sustainability-related information
- Investment stewardship activities that are undertaken across all investment strategies invested in corporate equity issuers to advocate for sound corporate governance and business practices in relation to the material ESG factors that are likely to impact long-term financial performance.

Unless otherwise stated herein and included within a sub-fund's investment objective and investment policy, ESG integration does not change a sub-fund's investment objective or constrain the asset manager's investable universe, and there is no indication that an ESG or impact focused investment strategy or any exclusionary screens will be adopted by a sub-fund. Impact investments are investments made with the intention to generate positive, measurable social and /or environmental impact alongside a financial return. Similarly, ESG integration does not determine the extent to which a sub-fund may be impacted by sustainability risks. Please refer to Sustainability Risks in the risk factors section of this prospectus. For sub-funds managed in reference to indices which explicitly include sustainability objectives, the Risk and Quantitative Analysis group (RQA) conducts regular reviews with portfolio managers to ensure that both benchmark performance tracking and adherence to the sustainability objectives embedded in the benchmark's methodology are appropriately pursued.

BlackRock discloses portfolio-level ESG and sustainability related data that is publicly available on product pages for retail funds where permitted by law and regulation so current and prospective investors and investment advisors can view sustainability-related information for a sub-fund.

### Investment Stewardship

BlackRock undertakes investment stewardship engagements and proxy voting with the goal of protecting and enhancing the long-term value of the sub-funds' assets for relevant asset classes. In BlackRock's experience, sustainable financial performance and value creation are enhanced by sound governance practices, including risk management oversight, board accountability, and compliance with regulations. BlackRock focuses on board composition, effectiveness and accountability as a top priority. High standards of corporate governance are the foundations of board leadership and oversight. Hence, BlackRock engages to better understand how boards assess their effectiveness and performance, as well as their position on director responsibilities and commitments, turnover and succession planning, crisis management and diversity.

BlackRock takes a long-term perspective in its investment stewardship work informed by two key characteristics of BlackRock's business: the majority of the investors are saving for long-term goals, so BlackRock presumes they are long-term shareholders; and BlackRock offers strategies with varying investment horizons, which means BlackRock has long-term relationships with its investee companies.

For further detail regarding BlackRock's approach to sustainable investing and investment stewardship please refer to the website at [www.blackrock.com/corporate/sustainability](http://www.blackrock.com/corporate/sustainability) and <https://www.blackrock.com/corporate/about-us/investment-stewardship#our-responsibility>

### ESG Sub-funds

The sub-funds **iShares SBI® ESG AAA-BBB Bond Index Fund (CH)**, **iShares World ex Switzerland ESG Screened Equity Index Fund (CH)** and **iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH)** have an explicit ESG investment strategy, as specified under cipher 1.9.1 let. b), g) and j), through their respective reference indices that measure the performance of components taking into consideration environmental, social and governance (ESG) factors ("ESG Sub-funds"). The assets of the ESG Sub-funds will be invested in sustainable investments, in accordance with their respective reference indices, which methodologies are defined by the index provider and described below.

BlackRock carries out due diligence on index providers and engages with them on an ongoing basis with regard to index methodologies including their assessment of applicable good governance criteria which include sound management structures, employee relations, remuneration of staff and tax compliance at the level of investee companies. While index providers do provide descriptions of what each reference index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices, nor any guarantee that the published indices will be in line with their described reference index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used.

### SIX Index Ltd

In developing the indices, SIX has drawn on data from the independent Swiss sustainability rating agency Inrate. The ESG Impact Rating developed by Inrate measures the positive and negative impacts of companies on the environment and society.

The components of an ESG index are selected from its respective universe. The same selection steps are applied to both stock and bond indices. The SBI acts as the universe for the bond indices and the SPI for the stock indices. The relevant factors for the selection are:

- Rating: The ESG Rating, which ranges in twelve levels from D- (worst rating) to A+ (best rating) and measures the environmental and social impacts a company has through its products and practices as well as its willingness and ability to effectively address the related issues it faces
- Critical sectors: Inrate collects revenues derived from a large number of critical sectors

Findings of the Swiss Association for Responsible Investments (SVVK-ASIR) are incorporated by SIX

- More specifically, with respect to the SBI ESG Screened AAA-BBB Index, to be included in the index, a company must have an ESG Rating of at least C+ and must not exceed revenue generation targets (generally maximum 5%) from certain critical sector (namely oil sands, thermal coal, nuclear energy, genetic engineering, gambling, defense, alcohol, adult entertainment and tobacco). Furthermore, the company must not be on the exclusion list of the Swiss Association for Responsible Investments (SVVK-ASIR; <https://www.svkv-asir.ch/en/exclusion-list/>) and it must comply with the principles of the United Nations Global Compact.

For further details regarding SIX indices please refer to the website at <https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/indices/esg-indices.html>. For further details regarding the SBI ESG Screened AAA-BBB Index methodology please refer to the SIX Methodology Rulebook Governing Bond Indices which is available here: .

### MSCI Inc.

With respect to the MSCI World ex Switzerland Small Cap ESG Screened ex Select Securities Index, this index is constructed from the MSCI World ex Switzerland Small Cap Index, its parent index. The index eliminates or minimizes exposure to companies involved in controversial weapons, nuclear weapons, civilian firearms, tobacco, fossil fuel extraction and thermal coal-based power generation. Furthermore, the Reference Index also excludes companies that are not in compliance with the United Nations Global Compact principles and companies with severe ESG controversies (i.e. an MSCI ESG controversy score of zero). The Reference Index also

excludes from the parent index all securities listed on the exclusion list of the Swiss Association for Responsible Investments ("SVVK – ASIR"; <https://www.svkk-asir.ch/en/exclusion-list/>).

With respect to the MSCI World ex Switzerland ESG Screened ex Select Securities Index, this index is constructed from the MSCI World ex Switzerland Index, its parent index. The index eliminates or minimizes exposure to companies involved in controversial weapons, nuclear weapons, civilian firearms, tobacco, fossil fuel extraction and thermal coal-based power generation. Furthermore, the Reference Index also excludes companies that are not in compliance with the United Nations Global Compact principles and companies with severe ESG controversies (i.e. an MSCI ESG controversies score of zero). The index also excludes from the parent index all securities listed on the exclusion list of the Swiss Association for Responsible Investments (SVVK-ASIR; <https://www.svkk-asir.ch/en/exclusion-list/>).

MSCI ESG Controversies are designed to provide timely and consistent assessments of ESG controversies involving publicly traded companies and fixed income issuers. MSCI ESG Controversies measures companies' public profiles based on actual or alleged involvement in adverse impact activities such as an event or a company's practices, products or businesses that could lead to reputational risk due to their potential negative environmental, social, and/or governance impacts, reported by media, non-governmental organizations (NGOs), and other stakeholders. MSCI ESG Research analysts review allegations concerning controversial ESG events, practices and businesses involving companies in the coverage universe and apply consistent scoring and color-coded alerts of each controversy case based on the severity of impact, role of the company in each case, as well as the case status based on the state of resolutions between involved stakeholders. The scoring goes from 0 (very severe/direct/ongoing) to 9 (minor/indirect/concluded). For further details regarding the MSCI ESG Controversies, please refer to the short description under <https://www.msci.com/documents/10199/acbe7c8a-a4e4-49de-9cf8-5e957245b86b> or to the document MSCI ESG Controversies and Global Norms Methodology, available under <https://www.msci.com/documents/1296102/14524248/MSCI+ESG+Research+Controversies+Executive+Summary+Methodology+-+July+2020.pdf/b0a2bb88-2360-1728-b70e-2f0a889b6bd4>, both published by MSCI ESG Research LLC.

For further details regarding the MSCI ESG index methodology, please refer to the document MSCI ESG Screened Indexes Methodology available under <https://www.msci.com/index-methodology>.

### 6.3 BlackRock's EMEA Baseline Screens Policy

The sub-fund **BlackRock US Dollar Liquidity Fund (CH)** applies a screening of the investments based on BlackRock's EMEA Baseline Screens Policy, as specified below.

**BlackRock's EMEA Baseline Screens Policy** limits and/or excludes the direct investments in certain issuers of money market instruments, such as

- Issuers that are engaged in, exposed to or derive revenues from direct involvement in controversial weapons, nuclear weapons or firearms and/or small arms ammunition intended for retail to civilians;
- Issuers that derive more than 5% of their revenues from the distribution of firearms and/or small arms ammunition intended for civilian use, from thermal coal extraction and/or thermal coal-based power generation (with the exception of "green bonds") or from the production and generation of oil sands;
- Issuers that produce tobacco products and issuers that derive more than 5% of their revenue from the production, distribution, retail and supply of tobacco-related products; and
- Issuers that are not compliant with the United Nations Global Compact principles ([www.unglobalcompact.org](http://www.unglobalcompact.org)).

The full list of the limits and/or exclusions being applied for this sub-fund at any time (including any specific threshold criteria) is available at <https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf>. It is the Investment Manager's intention that BlackRock's EMEA Baseline Screens Policy will evolve over time as improved data and more research on this subject becomes available. The full list of criteria, as amended from time to time at the Investment Manager's discretion, is available at <https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf>.

### 6.4 Data Protection under the DPA and GDPR

Investors should note that the Fund Management Company may handle their personal data (this includes "personal data" within the meaning of the Federal Act on Data Protection ("DPA") as well as "personal data" within the meaning of the General Data Protection Regulation GDPR of the European Union) or that of individuals connected with an investor's directors, officers, employees and/or beneficial owners. The GDPR privacy notice prepared in respect of the Fund Management Company (the "GDPR Privacy Notice") contains information on the collection, use, disclosure, transfer and processing of personal data under GDPR by the Fund Management Company and sets out the rights of individuals in relation to their personal data held by the Fund Management Company. The GDPR Privacy Notice is available at [www.blackrock.com](http://www.blackrock.com). Requests for further information in relation to the Fund Management Company's use and/or BlackRock's use of Personal Data under GDPR and requests to exercise the rights in relation to Personal Data, as set out in the Privacy Notice, should be addressed to: The Data Protection Officer, BlackRock, 12 Throgmorton Avenue, London, EC2N 2DL.

### 6.5 Detailed Regulations

All further information on the umbrella fund and sub-funds, such as the method used for the valuation of the sub-funds' assets, a list of all fees and incidental costs charged to the investor and the sub-funds, and the appropriation of net income, can be found in detail in the fund contract.

## 7. Indices

### 7.1 MSCI Indices ("MSCI Indices")

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## Summary of the Sub-funds and Unit Classes

Sub-fund	Reference Index	Unit Classes			Max. flat-rate management fee charged to the sub-fund <sup>1)</sup>	Accounting currency of the sub-funds	Max. rates for issue / redemption expenses <sup>2)</sup>	Date of relevant valuation prices	Date of calculation / publication of net asset value (valuation day)	Value day as of subscription or redemption date	Deadline for submitting subscriptions or redemptions for fund units (cut-off time), Zurich time	Total Expense Ratio (TER)			
		Available	Launch Date	ISIN								31.07.20	31.07.21	31.07.22	
iShares World ex Switzerland and Equity Index Fund (CH)	MSCI World ex Switzerland Index	I1 CHF	25/2/2019	CH0244030307	1.00%	CHF	6.00%/6.00%	Order Date + 1 bank working day	Order Date + up to 2 bank working days	Order Date + up to 4 bank working days	At the Custodian Bank at the latest by 3:30 p.m. each bank working day (Order Date)	0.15%	0.15%	0.15%	
		I1 H-CHF	-	-								-	-	-	
		X1 CHF	29/1/2015	CH0244028970	0.50%							0.02%	0.02%	0.02%	
		X1 H-CHF	-	-								-	-	-	
		Y1 CHF	-	-	0%							-	-	-	
		Y1 H-CHF	-	-								-	-	-	
iShares World ex Switzerland and Small Cap ESG Screened Equity Index Fund (CH)	MSCI World ex Switzerland Small Cap ESG Screened Select Securities Index*	D CHF	-	-	1.00%	CHF	6.00%/6.00%	Order Date + 1 bank working day	Order Date + up to 2 bank working days	Order Date + up to 4 bank working days	At the Custodian Bank at the latest by 3:30 p.m. each bank working day (Order Date)	-	-	-	
		D HCHF	-	-								-	-	-	
		I CHF	9/12/2019	CH0244035983	1.00%							0.20% <sup>3)</sup>	0.20%	0.20%	
		I USD	-	-								-	-	-	
		I H-CHF	-	-								-	-	-	
		I0 CHF	29/6/2017	CH0244037161								0.50%	0.20%	0.20%	0.20%
		I0 USD	-	-									-	-	-
		I0 H-CHF	-	-									-	-	-
		I15 CHF	-	-	-								-	-	
		I15 USD	-	-	-								-	-	
		I15 H-CHF	-	-	-								-	-	
		X CHF	-	-	0.50%							-	-	-	
		X USD	-	-								-	-	-	
		X H-CHF	-	-								-	-	-	
		X0 CHF	-	-								-	-	-	
		X0 USD	-	-								-	-	-	
		X0 N CHF	29/1/2015	CH0244037112								0.03%	0.03%	0.03%	

Sub-fund	Reference Index	Unit Classes			Max. flat-rate management fee charged to the sub-fund <sup>1)</sup>	Accounting currency of the sub-funds	Max. rates for issue / redemption expenses <sup>2)</sup>	Date of relevant valuation prices	Date of calculation / publication of net asset value (valuation day)	Value day as of subscription or redemption date	Deadline for submitting subscriptions or redemptions for fund units (cut-off time), Zurich time	Total Expense Ratio (TER)		
		Available	Launch Date	ISIN								31.07.20	31.07.21	31.07.22
		X0 H-CHF	-	-	0%							-	-	-
		X15 CHF	9/6/2020	CH0244037203								0.03%	- <sup>4)</sup>	-
		X15 USD	20/10/2020	CH0571663332								-	0.03% <sup>3)</sup>	0.03%
		X15 H-CHF	-	-								-	-	-
		Y CHF	-	-								-	-	-
		Y H-CHF	-	-								-	-	-
		Y0 CHF	-	-								-	-	-
		Y0 H-CHF	-	-								-	-	-
		Y15 CHF	-	-								-	-	-
		Y15 H-CHF	-	-								-	-	-
		iShares Emerging Markets Equity Index Fund (CH)	MSCI Emerging Markets Index	D NT CHF								31/1/2023	CH1234628845	1.00%
D CHF	2/3/2017			CH0338509083	0.20%	0.26%	0.26%							
D H-CHF	-			-	-	-	-							
D H-EUR	-			-	-	-	-							
D H-USD	-			-	-	-	-							
I CHF	20/6/2018			CH0244060833	1.00%	0.15%	0.21%	- <sup>4)</sup>						
I USD	-			-		-	-	-						
I H-CHF	-			-		-	-	-						
I H-EUR	-			-		-	-	-						
I H-USD	-			-	-	-	-							
X CHF	-			-	0.50%	-	-	-						
X USD	-			-		-	-	-						
X N CHF	30/1/2015			CH0244057342		0.03%	0.09%	0.09%						
X NT USD	-			-		-	-	-						
X H-CHF	-	-	-	-		-								
X H-EUR	-	-	-	-	-									

Sub-fund	Reference Index	Unit Classes			Max. flat-rate management fee charged to the sub-fund <sup>1)</sup>	Accounting currency of the sub-funds	Max. rates for issue / redemption expenses <sup>2)</sup>	Date of relevant valuation prices	Date of calculation / publication of net asset value (valuation day)	Value day as of subscription or redemption date	Deadline for submitting subscriptions or redemptions for fund units (cut-off time), Zurich time	Total Expense Ratio (TER)									
		Available	Launch Date	ISIN								31.07.20	31.07.21	31.07.22							
BlackRock US Dollar Liquidity Fund (CH)		S SD USD	8.2.2022	CH1150026966	1.00%	USD	5.00%/5.00%	Order Date	Order Date	Order Date <sup>5)</sup>	At the Custodian Bank at the latest by 12:30 p.m. each bank working day (Order Date)	-	-	0.11% <sup>3)</sup>							
		S SD A USD	-	-								-	-	-							
		D USD	-	-								-	-	-							
		D A USD	-	-	1.00%					-		-	-	-	-	-	-	-	-		
		D NT USD	-	-						-		-	-	-	-	-	-	-	-		
		D NT A USD	-	-						-		-	-	-	-	-	-	-	-		
		I USD	25.1.2022	CH1119458813	1.00%					-		-	-	-	-	-	-	-	-	0.18% <sup>3)</sup>	
		I A USD	-	-						-		-	-	-	-	-	-	-	-	-	
		I NT USD	-	-						-		-	-	-	-	-	-	-	-	-	-
		I NT A USD	-	-	0.50%					-		-	-	-	-	-	-	-	-	-	-
		S USD	26.8.2021	CH1119458839						-		-	-	-	-	-	-	-	-	-	0.10% <sup>3)</sup>
		S A USD	26.8.2021	CH1119458847						-		-	-	-	-	-	-	-	-	-	0.10% <sup>3)</sup>
		X USD	-	-	0.50%					-		-	-	-	-	-	-	-	-	-	-
		X A USD	-	-						-		-	-	-	-	-	-	-	-	-	-
		X NT USD	-	-						-		-	-	-	-	-	-	-	-	-	-
X NT A USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
iShares SPI® Equity Index Fund (CH)	Swiss Performance Index (SPI®)	D CHF	19/4/2017	CH0342181622	1.00%	CHF	6.00%/6.00%	Order Date	Order Date + up to 1 bank working day	Order Date + up to 2 bank working days	At the Custodian Bank at the latest by 2:00 p.m. each bank working	0.13%	0.13%	0.13%							
		I CHF	7/3/2017	CH0342181713	1.00%							0.10%	0.10%	0.10%							
		I NT A CHF	-	-	-							-	-	-							

Sub-fund	Reference Index	Unit Classes			Max. flat-rate management fee charged to the sub-fund <sup>1)</sup>	Accounting currency of the sub-funds	Max. rates for issue / redemption expenses <sup>2)</sup>	Date of relevant valuation prices	Date of calculation / publication of net asset value (valuation day)	Value day as of subscription or redemption date	Deadline for submitting subscriptions or redemptions for fund units (cut-off time), Zurich time day (Order Date)	Total Expense Ratio (TER)		
		Available	Launch Date	ISIN								31.07.20	31.07.21	31.07.22
		X CHF	24/5/2018	CH0401030793	0.50%							0.03%	0.03%	0.03%
		X N CHF	26/10/2017	CH0342181739								0.03%	0.03%	0.03%
		Y CHF	7/3/2017	CH0342181747	0%							0.00%	0.00%	0.00%
		Z CHF	-	-	1.00%							-	-	-
iShares SMI® Equity Index Fund (CH)	Swiss Market Index (SMI®)	D CHF	16/12/2016	CH0342181796	1.00%	CHF	6.00%/6.00%	Order Date	Order Date + up to 1 bank working day	Order Date + up to 2 bank working days	At the Custodian Bank at the latest by 2:00 p.m. each bank working day (Order Date)	0.13%	0.13%	0.13%
		I CHF	10/11/2016	CH0342181812	1.00%							0.10%	0.10%	0.10%
		I N T A CHF	5/12/2017	CH0385767725								0.10%	0.10%	0.10%
		X CHF	8/12/2017	CH0342181820	0.50%							0.03%	0.03%	0.03%
		X N CHF	-	-								-	-	-
		Y CHF	-	-	0%							-	-	-
		Z CHF	-	-	1.00%							-	-	-
iShares SBI® ESG AAA-BBB Bond Index Fund (CH)	SBI® ESG Screened AAA-BBB	D CHF	19/4/2017	CH0342181887	1.00%	CHF	6.00%/6.00%	Order Date	Order Date + up to 1 bank working day	Order Date + up to 2 bank working days	At the Custodian Bank at the latest by 1:00 p.m. each bank working day (Order Date)	0.15%	0.15%	0.15%
		I CHF	6/3/2017	CH0342181937	1.00%							0.12%	0.12%	0.12%
		I N T A CHF	-	-								0.50%	-	-
		X CHF	-	-	-								-	-
		X N CHF	-	-	-							-	-	-
		Y CHF	28/2/2017	CH0342181952	0%							0.00%	0.00%	0.00%
		Z CHF	-	-	1.00%							-	-	-
iShares Emerging Markets Bond Index Fund (CH)	J.P. Morgan Emerging Markets Bond Index Global Diversified	D USD	19/4/2017	CH0342181986	1.00%	USD	6.00%/6.00%	Order Date + 1 bank working day	Order Date + up to 2 bank working days	Order Date + up to 4 bank working days	At the Custodian Bank at the latest by 3:30 p.m. each bank working day (Order Date)	0.30%	0.30%	0.30%
		D H-CHF	-	-								-	-	-
		D H-EUR	-	-								-	-	-
		I USD	20/5/2020	CH0342185284	1.00%							0.25% <sup>3)</sup>	0.25%	0.25%
		I H-CHF	03/07/2023	CH0342195390								-	-	-
		I H-EUR	-	-								-	-	-



Sub-fund	Reference Index	Unit Classes			Max. flat-rate management fee charged to the sub-fund <sup>1)</sup>	Accounting currency of the sub-funds	Max. rates for issue / redemption expenses <sup>2)</sup>	Date of relevant valuation prices	Date of calculation / publication of net asset value (valuation day)	Value day as of subscription or redemption date	Deadline for submitting subscriptions or redemptions for fund units (cut-off time), Zurich time	Total Expense Ratio (TER)		
		Available	Launch Date	ISIN								31.07.20	31.07.21	31.07.22
		I NT USD	-	-	0.50%							-	-	-
		X USD	24/1/2017	CH0342195416								0.04%	0.04%	0.04%
		X N USD	6/9/2018	CH0401030827								0.04%	0.04%	0.04%
		X H-CHF	-	-								-	-	-
		X H-EUR	-	-								-	-	-
		X NT USD	20/12/2018	CH0449128526								0.04%	0.04%	0.04%
		Y USD	-	-	0%							-	-	-
		Y H-CHF	-	-								-	-	-
		Y H-EUR	-	-								-	-	-
		Z USD	-	-	1.00%							-	-	-
iShares Japan Equity Index Fund (CH)	MSCI Japan Index	D JPY	20/12/2018	CH0450943581	1.00%	CHF	6.00%/6.00%	Order Date + 1 bank working day	Order Date + up to 2 bank working days	Order Date + up to 4 bank working days	At the Custodian Bank at the latest by 3:30 p.m. each bank working day (Order Date)	0.20%	0.20%	0.20%
		D H-CHF	-	-								-	-	-
		D H-EUR	-	-								-	-	-
		D H-USD	-	-								-	-	-
		I JPY	-	-	1.00%							-	-	-
		I H-CHF	-	-								-	-	-
		I H-EUR	-	-								-	-	-
		I H-USD	-	-								-	-	-
		I1 CHF	17/1/2019	CH0354102854								-	-	-
		I1 H-CHF	-	-	-							-	-	
		I10 CHF	-	-	-							-	-	
		I10 H-CHF	-	-	-							-	-	
		X CHF	-	-	0.50%							-	-	-
		X H-CHF	-	-								-	-	-
		X1 CHF	26/10/2017	CH0354102912								0.04%	0.04%	0.04%
		X1 H-CHF	-	-								-	-	-
X10 CHF	-	-	-	-		-								

Sub-fund	Reference Index	Unit Classes			Max. flat-rate management fee charged to the sub-fund <sup>1)</sup>	Accounting currency of the sub-funds	Max. rates for issue / redemption expenses <sup>2)</sup>	Date of relevant valuation prices	Date of calculation / publication of net asset value (valuation day)	Value day as of subscription or redemption date	Deadline for submitting subscriptions or redemptions for fund units (cut-off time), Zurich time	Total Expense Ratio (TER)		
		Available	Launch Date	ISIN								31.07.20	31.07.21	31.07.22
		X10 H-CHF	-	-	0%							-	-	-
		Y CHF	-	-								-	-	-
		Y H-CHF	-	-								-	-	-
		Y1 CHF	-	-								-	-	-
		Y1 H-CHF	-	-								-	-	-
		Y10 CHF	-	-								-	-	-
		Y10 H-CHF	-	-								-	-	-
iShares World ex Switzerland and ESG Screened Equity Index Fund (CH)	MSCI World ex Switzerland ESG Screened ex Select Securities Index*	I1 CHF	-	-	1.00%	CHF	6.00%/6.00%	Order Date + 1 bank working day	Order Date + up to 2 bank working days	Order Date + up to 4 bank working days	At the Custodian Bank at the latest by 3:30 p.m. each bank working day (Order Date)	-	-	-
		I1 H-CHF	-	-								-	-	-
		X1 CHF	9/12/2020	CH0424707278	0.50%							-	0.03% <sup>3)</sup>	0.03%
		X1 H-CHF	-	-								-	-	-
		Y1 CHF	-	-	0%							-	-	-
		Y1 H-CHF	-	-								-	-	-
iShares World ex Switzerland and Equity Index Fund II (CH)	MSCI World ex Switzerland Index	D USD	-	-	1.00%	USD	6.00%/6.00%	Order Date + 1 bank working day	Order Date + up to 2 bank working days	Order Date + up to 4 bank working days	At the Custodian Bank at the latest by 3:30 p.m. each bank working day (Order Date)	-	-	-
		D H-CHF	-	-								-	-	-
		I USD	-	-	1.00%							-	-	-
		I H-CHF	-	-								-	-	-
		I0 USD	-	-								-	-	-
		I0 H-CHF	-	-								-	-	-
		I15 USD	-	-	1.00%							-	-	-
		I15 H-CHF	-	-								-	-	-
		X USD	-	-	0.50%							-	-	-
		X H-CHF	-	-								-	-	-
		X0 USD	-	-								-	-	-
		X0 N USD	-	-								-	-	-
		X0 H-CHF	-	-								-	-	-

Sub-fund	Reference Index	Unit Classes			Max. flat-rate management fee charged to the sub-fund <sup>1)</sup>	Accounting currency of the sub-funds	Max. rates for issue / redemption expenses <sup>2)</sup>	Date of relevant valuation prices	Date of calculation / publication of net asset value (valuation day)	Value day as of subscription or redemption date	Deadline for submitting subscriptions or redemptions for fund units (cut-off time), Zurich time	Total Expense Ratio (TER)		
		Available	Launch Date	ISIN								31.07.20	31.07.21	31.07.22
		X15 USD	15/10/2020	CH0565882096	0%							-	0.03% <sup>3)</sup>	0.03%
		X15 H-CHF	-	-								-	-	-
		Y USD	-	-								-	-	-
		Y H-CHF	-	-								-	-	-
		Y0 USD	-	-								-	-	-
		Y0 H-CHF	-	-								-	-	-
		Y15 USD	-	-								-	-	-
		Y15 H-CHF	-	-								-	-	-
		BlackRock Systematic Australian Equity Fund	S&P/ASX 300 Index	I AUD								-	-	1.00%
D AUD	-			-	1.00%	-	-	-						
Z AUD	-			-	1.00%	-	-	-						
iShares SPI® Equity Index Fund NoL (CH)	Swiss Performance Index (SPI®)	D CHF	-	-	1.00%	CHF	6.00%/6.00%	Order Date	Order Date + up to 1 bank working days	Order Date + up to 2 bank working days	At the Custodian Bank at the latest by 2:00 p.m. each bank working day (Order Date)	-	-	-
		D NT A CHF	-	-								-	-	-
		I CHF	-	-	1.00%							-	-	-
		I NT A CHF	-	-								-	-	-
		X CHF	-	-	0.50%							-	-	-
		X N CHF	-	-								-	-	-
		X NT A CHF	-	-	0%							-	-	-
		Y CHF	-	-								-	-	-
		Y N CHF	-	-	-							-	-	
		Y NT A CHF	-	-	-							-	-	
		Z CHF	-	-	1.00%							-	-	-

<sup>\*</sup> A custom index calculated by MSCI based on the stock exclusions provided by SVVK-ASIR (Swiss Association for Responsible Investments).

<sup>1)</sup> Fees and incidental costs charged to the sub-funds' assets pursuant to § 20 cipher 1 of the fund contract: flat fee payable to the Fund Management Company for administration and asset management and distribution of the sub-funds as well as all tasks performed by the Custodian Bank (such as safekeeping of the fund assets, the handling of payment transactions) and other tasks listed under § 4. The costs set out in § 20 cipher 2 of the fund contract may additionally be charged to the sub-fund. The flat rate management fee may be composed of all or parts of the mentioned fee components.

- <sup>2)</sup> Issue and redemption expenses (incidental costs) pursuant to § 17 cipher 2 and § 19 cipher 1 of the fund contract: In order to cover incidental costs (namely standard brokerage fees, commissions, taxes and duties, transactions costs etc.), which are incurred by the sub-fund on average due to the investment of the amounts paid in and/or the sale of that portion of investments corresponding to the redeemed unit(s), the Fund Management Company charges fixed issue and redemption expenses accruing to the assets of the relevant sub-fund. According to § 19 cipher 1 of the fund contract, the Fund Management Company may, by way of exception and temporarily, increase or reduce the level of the fixed issue and redemption expenses as set out in the table.
- <sup>3)</sup> The TER has been annualised in accordance with AMAS guidelines.
- <sup>4)</sup> The unit class was fully redeemed during the period.
- <sup>5)</sup> The Fund Management Company and the Custodian Bank have automated procedures in place which mean that dealing applications submitted in electronic format can ordinarily be processed, in effect, at the same time as they are received, with the result (in the case of redemption requests received on or before the relevant cut-off time) that payment instructions for redemption proceeds can be made promptly, allowing settlement of redemption proceeds on the same day. However, dealing applications submitted other than in electronic format require manual processing, which can take some time, with the result (in the case of redemption requests received on or before the relevant cut-off time) that payment instructions for redemption proceeds may not be able to be made before the close of business for payment instructions and therefore may not be settled until the following bank working day.

## Part 2: Fund Contract

### Basic Principles

#### § 1 Fund Name; Name and Registered Office of Fund Management Company, Custodian Bank and Asset Manager

1. A contractual umbrella fund of the type "Other funds for traditional investments" has been established under the name of BlackRock Investment Funds Switzerland (the "**umbrella fund**") in accordance with Art. 25 et seq in conjunction with Art. 68 et seq in conjunction with Art. 92 et seq of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("**CISA**"). The umbrella fund is split into the following sub-funds:
  - a) iShares World ex Switzerland Equity Index Fund (CH)
  - b) iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH)
  - c) iShares Emerging Markets Equity Index Fund (CH)
  - d) BlackRock US Dollar Liquidity Fund (CH)
  - e) iShares SPI® Equity Index Fund (CH)
  - f) iShares SMI® Equity Index Fund (CH)
  - g) iShares SBI® ESG AAA-BBB Bond Index Fund (CH)
  - h) iShares Emerging Markets Bond Index Fund (CH)
  - i) iShares Japan Equity Index Fund (CH)
  - j) iShares World ex Switzerland ESG Screened Equity Index Fund (CH)
  - k) iShares World ex Switzerland Equity Index Fund II (CH)
  - l) BlackRock Systematic Australian Equity Fund
  - m) iShares SPI® Equity Index Fund NoL (CH)
2. The Fund Management Company is BlackRock Asset Management Schweiz AG, Zurich.
3. The Custodian Bank is State Street Bank International GmbH, Munich, Zurich Branch.
4. The asset manager is designated in the Special Section for each sub-fund.

### Rights and Obligations of the Parties to the Contract

#### § 2 The Fund Contract

The legal relationship between investors<sup>3</sup>, on the one hand, and the Fund Management Company and the Custodian Bank on the other shall be governed by the present fund contract and the applicable provisions of the legislation on collective investment schemes.

#### § 3 The Fund Management Company

1. The Fund Management Company manages the umbrella fund and its sub-funds at its own discretion and in its own name, but for the account of the investors. It decides in particular on the issue of units, the investments and their valuation. It calculates the net asset value and determines the issue and redemption prices of units as well as distributions of income. It exercises all rights associated with the umbrella fund and sub-funds.
2. The Fund Management Company and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper management. They shall account for the collective investment schemes managed by them and provide information on all fees and costs charged directly or indirectly to investors as well as on compensation received from third parties in particular the form of commissions, rebates or other pecuniary advantages.
3. The Fund Management Company may delegate the ability to make investment decisions as well as specific tasks, provided this is in the interests of proper management. It shall appoint only persons who have the necessary skills, knowledge, and experience for this activity and the required licenses. It shall carefully instruct and supervise the third parties involved. Investment decisions may be delegated only to asset managers that hold the necessary authorization.
4. The Fund Management Company may, subject to the consent of the Custodian Bank, submit an amendment to the present fund contract to the supervisory authority for approval (cf. § 27), and may also create further sub-funds with the approval of the supervisory authority.
5. The Fund Management Company may merge individual sub-funds with other sub-funds or with other investment funds pursuant to the provisions set down under § 25 and can dissolve the individual sub-funds pursuant to the provisions set down under § 26.
6. The Fund Management Company may manage part or all of the assets of different BlackRock Investment Funds Switzerland sub-funds jointly (pooling) as these are managed by the same Fund Management Company and the assets are held in safe-keeping by the same Custodian Bank. This shall not give rise to any additional costs for the investors. The pooling shall not create any liability between the sub-funds involved. The Fund Management Company shall at all times be in the position to allocate the investments of the pool to the individual sub-funds

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<sup>3</sup> For the purpose of clarity and legibility, this document will avoid gender differentiation of investors (e.g. he/she). All relevant terms shall apply to both genders.

involved. The pool shall not constitute a separate fund in its own right.

7. The Fund Management Company is entitled to receive the fees stipulated in §§ 19 and 20. It is further entitled to be released from the liabilities assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such liabilities.

#### § 4 The Custodian Bank

1. The Custodian Bank is responsible for the safe-keeping of assets of the sub-funds. It handles the issue and redemption of sub-fund units as well as payments on behalf of the sub-funds.
2. The Custodian Bank and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper management. They shall account for the collective investment schemes managed by them and provide information on all fees and costs charged directly or indirectly to investors as well as on compensation received from third parties, in particular commissions, rebates or other pecuniary advantages.
3. The Custodian Bank is responsible for the account management and custodial services of the umbrella fund and/or the sub-funds, but may not independently dispose of their assets.
4. The Custodian Bank shall ensure, for transactions relating to the assets of the umbrella fund and/or the sub-funds, that the proceeds are transferred within the usual time limits. It shall notify the Fund Management Company if the proceeds are not reimbursed within the usual time limits, and shall demand compensation from the counterparty to the value of the affected asset, if possible.
5. The Custodian Bank manages the required records and accounts in such a way that the deposited assets of the umbrella fund and/or sub-fund can be distinguished from one another at all times. In the case of assets that cannot be taken in custody, the Custodian Bank verifies the ownership of the Fund Management Company and keeps records thereof.
6. The Custodian Bank may delegate the safe-keeping of the assets of some or all sub-funds to third-party custodians and central securities depositories in Switzerland or abroad, so long as this is in the interest of proper safe-keeping. It checks and monitors whether the mandated third party custodian or central securities depository:
  - a) has an appropriate business organization, financial guarantees and the professional qualifications required for the type and complexity of the assets that were entrusted to it;
  - b) is subject to regular external audits in order to ensure that the financial instruments are in its possession;
  - c) the assets received by the Custodian Bank are kept in custody in such a way that by means of regular portfolio comparisons they can at all times be clearly identified by the Custodian Bank as belonging to the assets of the relevant sub-fund;
  - d) complies with the provisions applicable to the Custodian Bank relating to the exercise of its delegated tasks and the avoidance of conflicts of interest.

The Custodian Bank is liable for the damage caused by its agents if it cannot prove that it applied the degree of due diligence with regard to the selection, instruction and monitoring required in the given circumstances. The prospectus contains information on the risks associated with the transfer of safekeeping to third-party custodians and central securities depositories.

Within the meaning of the preceding paragraph, financial instruments may only be transferred to regulated third-party custodians or central securities depositories, save for the mandatory safe-keeping in a place, where a transfer to regulated third-party custodians or central securities depositories is not possible, in particular due to mandatory law provisions or the particularities of the investment product. Investors must be informed in the prospectus of safekeeping with non-regulated third party custodians or central securities depositories.

7. The Custodian Bank ensures that the Fund Management Company complies with the law and the fund contract. It checks whether the calculation of the net asset value and issue and redemption prices of the units as well as the investment decisions are in compliance with the law and the fund contract, and whether the income is appropriated in accordance with the fund contract. The Custodian Bank is not responsible for the choice of investments which the Fund Management Company makes in accordance with the investment regulations.
8. The Custodian Bank is entitled to receive the fees stipulated in §§ 19 and 20. It is further entitled to be released from the liabilities assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such liabilities.
9. The Custodian Bank is not responsible for the safe-keeping of the assets of the target funds in which the umbrella fund and/or the sub-funds invest, unless this task has been delegated to it.

#### § 5 The Investors

1. There are no general restrictions in terms of investor eligibility. Restrictions are possible for individual unit classes in accordance with §5 cipher 2 and § 6 cipher 3 and 4 and as set out in the prospectus.

The Fund Management Company ensures together with the Custodian Bank that the investors meet the requirements in respect of investor eligibility.
2. For individual unit classes, the §6 cipher 4 may limit an investment to those investors who meet certain criteria, for example as regards their status as qualified investors ("**Qualified Investors**") in accordance with Art. 10 para. 3, 3bis, 3ter and 4 CISA in conjunction with Art. 6 of the Collective Investment Schemes Ordinance ("**CISO**"), their domicile or their tax or double-taxation treatment.

The Fund Management Company and the Custodian Bank shall ensure that the investors meet the conditions applying to the eligible investors. For such purpose and when examining the eligibility of investors, they may, in particular, rely on the written confirmation received from a regulated financial intermediary, provided the financial intermediary confirms therein, to the best of his knowledge and based on applied procedures and regular checks in order to ensure the qualification of investors booked with him, that the investors booked with him qualify for an investment in the individual sub-funds and/or unit classes.

For investors invested in unit classes with special tax treatment/tax transparency, such investors must, at the time of the initial subscription, have provided the Fund Management Company, the Custodian Bank or any of their agents with original tax documents demonstrating that they meet the conditions for tax exemption/special treatment. On the basis of these documents and any other documentary evidence they may require, the Fund Management Company, the Custodian Bank or any agent may, at their discretion, decide to authorize an investment in any sub-funds and/or unit classes. Unit classes of certain sub-funds as set out in the prospectus and special sections of the fund contract providing for tax transparency cannot be freely transferred. The Fund Management Company may grant exceptions provided that the transferee meets all conditions applying to the respective unit class.

If the investor is unable to provide the required documents, or if the Custodian Bank, the Fund Management Company or any agent determine that the investor no longer meets the necessary prerequisites for participation in this unit class, that investor's units will be subject to a forced redemption in accordance with § 5, cipher 8 and 9. The Fund Management Company reserves the right to require the investor concerned to recompense any losses that may have been caused to the sub-fund through that investor's provision of inaccurate, incomplete, erroneous or obsolete information or documents, or through the investor's failure to supply updated information and documents following a change of circumstances, and which led the Fund Management Company or any agent to authorize or continue to authorize this investor's investment in these sub-funds.

Upon conclusion of the contract and payment made in cash, investors acquire a claim against the Fund Management Company in respect of a participation in the assets and income of a sub-fund of the umbrella fund. Instead of such cash payment, upon request of the investor and with the approval of the Fund Management Company a contribution in kind can be made pursuant to § 18. The investor's claim is evidenced in the form of sub-fund units.

3. The investors are only required to remit payment for their subscribed units of the sub-fund. Payments are normally made in cash. In accordance with § 18 upon request of the investor, the Fund Management Company has the right, without legal obligation, to accept a contribution of assets instead of a cash payment. A personal liability of the investor for the liabilities of the umbrella fund and/or the individual sub-funds is excluded.
4. Investors are only entitled to participate in the assets and income of that sub-fund in which they hold units. Liabilities that are attributable to an individual sub-fund will be borne solely by the said sub-fund.
5. Investors may at any time request that the Fund Management Company supply them with the necessary information regarding the basis on which the net asset value per unit is calculated. If investors express an interest in more detailed information on specific business transactions effected by the Fund Management Company, such as the exercising of membership and creditors' rights, risk management or contributions/redemptions in kind, they must be given such information by the Fund Management Company at any time. The investors may request at the court of the registered office of the Fund Management Company that the auditors or another expert investigate the matter which requires clarification and furnish the investors with a report.
6. Investors may terminate the fund contract at any time, subject to the notice periods in accordance with § 17 cipher 1, and may request the payment of their unit in the relevant sub-fund in cash. Instead of cash redemption, a redemption in kind can be made in accordance with § 18 upon request of the investor and with the approval of the Fund Management Company.
7. Upon request, the investors are required to demonstrate to the Fund Management Company and/or the Custodian Bank and their agents with proof that they meet or continue to meet the requirements stipulated by law or the fund contract in respect of a participation in a sub-fund or unit class. Furthermore, they are required to inform the Custodian Bank, the Fund Management Company and their agents immediately once they no longer meet these prerequisites.
8. The units of an investor must be redeemed compulsorily by the Fund Management Company in conjunction with the Custodian Bank at the current redemption price if:
  - a) this is necessary to safeguard the reputation of the financial market, specifically to combat money laundering;
  - b) the investor no longer meets the statutory or contractual requirements for participation in this umbrella fund and/or its sub-funds or unit classes.
9. In addition, the Fund Management Company in conjunction with the Custodian Bank may compulsorily redeem the units of an investor at the current redemption price if:
  - a) the participation of the investor in the umbrella fund and/or its sub-funds is such that it could have a significant detrimental impact on the economic interests of the other investors, in particular if the participation could result in tax disadvantages for the umbrella fund and/or its sub-funds in Switzerland or abroad;
  - b) the investors have acquired or hold their units in violation of provisions of a law applicable to them either in Switzerland or abroad, or in violation of provisions of the present fund contract or the prospectus;
  - c) there is a detrimental impact on the economic interests of the investors, in particular in cases where individual investors seek by way of systematic subscriptions and immediate redemptions to achieve a pecuniary gain by exploiting the time differences between the setting of the closing prices and the valuation of the assets of the umbrella fund and/or its sub-funds (market timing).

## § 6 Units and Unit Classes

1. The Fund Management Company can create different unit classes and can also merge or dissolve unit classes for each sub-fund at any time, subject to the consent of the Custodian Bank and the approval of the supervisory authority. All unit classes are entitled to participate in the undivided assets of the relevant sub-fund, which itself is not segmented. This participation may differ due to class-specific costs or distributions or class-specific income and the various unit classes of a sub-fund may therefore have different net asset values per unit. Class-specific costs are covered by the assets of the sub-fund as a whole.
2. Notification of the creation, dissolution or merger of unit classes shall be published in the publication medium. Only a merger shall be deemed an amendment to the fund contract pursuant to § 27.
3. The various unit classes of the sub-funds may differ from one another in terms of their cost structure, reference

currency, currency hedging, distribution or accumulation of income, the minimum investment required as well as investor eligibility.

Fees and costs are only charged to the unit class for which the respective service is performed. Fees and costs that cannot be clearly assigned to a unit class shall be charged to the individual unit classes on a pro rata basis in relation to the sub-fund’s assets.

4. Currently, the following unit classes have been approved for the umbrella fund and all sub-funds and can be introduced for the respective sub-funds:

General indications	The reference currency of the unit classes is directly indicated in the denomination of the respective unit class.  The unit classes in which the exchange rates between the currency of all or some of the currencies in which the assets of the sub-fund (including cash and income) are denominated are generally hedged against the reference currency of the unit class are indicated by the letter "H" in the denomination of the respective unit class.  Accumulating and open to all types of investors domiciled in Switzerland.
<b>D</b> (D CHF, D USD, D JPY, D AUD, D H- CHF, D H-EUR, D H- USD)	Distributing and open to all types of investors domiciled in Switzerland.
<b>D A</b> (D A USD)	Accumulating and open to all types of investors.
<b>D NT</b> (D NT CHF, D NT USD)	Distributing and open to all types of investors.
<b>D NT A</b> (D NT A CHF, D NT A USD)	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA. Minimum investment is USD 20 million.
<b>I</b> (I CHF, I USD, I JPY, I AUD, I H-CHF, I H- EUR, I H-USD)	Distributing and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA. Minimum investment is USD 20 million.
<b>I A</b> (I A CHF, I A USD)	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Minimum investment is USD 20 million.
<b>I0</b> (I0 CHF, I0 USD, I0 H- CHF)	Accumulating and limited to Swiss pension funds who qualify as qualified investors pursuant to Art. 10 para. 3 CISA in connection with Art. 4 para. 3 lit. f FinSA and are fully tax documented for all markets where tax transparency is achieved. Minimum investment is USD 20 million.
<b>I1</b> (I1 CHF, I1 H-CHF)	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA who meet the eligibility criteria in Art. 22 A(2)(c) and (d) of the Switzerland Japan Double Taxation Agreement and are entitled to partial relief from Japan withholding tax on Japan dividends (10% applicable withholding tax rate, as at the date of the prospectus). Further to the criteria outlined in Art. 22 A(2)(c) and (d), additional investors may be eligible for partial relief which will require verification both from a technical and operational perspective before any investment can be made. Minimum investment is USD 20 million.
<b>I10</b> (I10 CHF, I10 H-CHF)	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). Minimum investment is USD 20 million.
<b>I15</b> (I15 CHF, I15 USD, I15 H-CHF)	Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA. Minimum investment is USD 20 million.
<b>I NT A</b> (I NT A CHF, I NT A USD)	Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA. Minimum investment is USD 20 million.
<b>I NT</b> (I NT CHF, I NT USD)	Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA. Minimum investment is USD 20 million.



<p><b>S</b> (S CHF, S USD)</p>	<p>Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA. Minimum investment is USD 100 million.</p>
<p><b>S A</b> (S A CHF, S A USD)</p>	<p>Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA. Minimum investment is USD 100 million.</p>
<p><b>S SD</b> (S SD USD)</p>	<p>Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA. Minimum investment is USD 100 million. This unit class provides settlement on the relevant order day.</p>
<p><b>S SD A</b> (S SD A USD)</p>	<p>Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA. Minimum investment is USD 100 million. This unit class provides settlement on the relevant order day.</p>
<p><b>X</b> (X CHF, X USD, X H-CHF, X H-EUR, X H-USD)</p>	<p>Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.</p>
<p><b>X N</b> (X N CHF, X N USD)</p>	<p>Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 CISA as well as collective investment schemes incl. single investor funds established under Swiss law where investors are qualified investors domiciled in Switzerland in accordance with Art. 5 para. 4 CISO who qualify as a tax-exempt domestic institution of occupational pensions, tied pensions, vested benefits institution or social insurance and compensation funds or public life insurance subject to the supervision of the federal government or domestic public life insurance, provided that they fulfill the prerequisites for a reporting procedure pursuant to Article 38a of the Federal Withholding Tax Ordinance (VStV) and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.</p>
<p><b>X0</b> (X0 CHF, X0 USD, X0 H-CHF)</p>	<p>Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.</p>
<p><b>X0 N</b> (X0 N CHF, X0 N USD)</p>	<p>Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 CISA as well as collective investment schemes incl. single investor funds established under Swiss law where investors are qualified investors domiciled in Switzerland in accordance with Art. 5 para. 4 CISO, who qualify as a tax-exempt domestic institution of occupational pensions, tied pensions, vested benefits institution or social insurance and compensation funds or public life insurance subject to the supervision of the federal government or domestic public life insurance, provided that they fulfill the prerequisites for a reporting procedure pursuant to Article 38a of the Federal Withholding Tax Ordinance (VStV) and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.</p>
<p><b>X1</b> (X1 CHF, X 1 H-CHF)</p>	<p>Accumulating and limited to Swiss pension funds who qualify as qualified investors pursuant to Art. 10 para. 3 CISA in connection with Art. 4 para. 3 lit. f FinSA and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who are fully tax documented for all markets where tax transparency is achieved. The Fund Management Company will inform investors as to required documentation at the point of investment. Subject to the relevant agreements,</p>

	the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.
<b>X10</b> (X10 CHF, X10 H-CHF)	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group, who meet the eligibility criteria in Art. 22 A(2)(c) and (d) of the Switzerland Japan Double Taxation Agreement and are entitled to partial relief from Japan withholding tax on Japan dividends (10% applicable withholding tax rate, as at the date of the prospectus). Further to the criteria outlined in Art. 22 A(2)(c) and (d), additional investors may be eligible for partial relief which will require verification both from a technical and operational perspective before any investment can be made. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.
<b>X15</b> (X15 CHF, X15 USD, X15 H-CHF)	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.
<b>X NT</b> (X NT USD)	Accumulating and limited to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.
<b>X A</b> (X A USD)	Distributing and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.
<b>X NT A</b> (X NT A CHF, X NT A USD)	Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management will be invoiced directly to the investor, outside of the sub-fund.
<b>Y</b> (Y CHF, Y USD, Y H-CHF, Y H-EUR, Y H-USD)	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund.
<b>Y N</b> (Y N CHF)	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 CISA as well as collective investment schemes incl. single investor funds established under Swiss law where investors are eligible qualified investors domiciled in Switzerland in accordance with Art. 5 para. 4 CISO who qualify as a tax-exempt domestic institution of occupational pensions, tied pensions, vested benefits institution or social insurance and compensation funds or public life insurance subject to the supervision of the federal government or domestic public life insurance, provided that they fulfill the prerequisites for a reporting procedure pursuant to Article 38a of the Federal Withholding Tax Ordinance (VStV) and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund.
<b>Y0</b> (Y0 CHF, Y0 H-CHF)	Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss

Double Taxation Agreement, are entitled to full relief from US withholding tax on US dividends (0% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund.

**Y1**  
(Y1 CHF, Y1 H-CHF)

Accumulating and limited to Swiss pension funds who qualify as qualified investors pursuant to Art. 10 para. 3 CISA in connection with Art. 4 para. 3 lit. f FinSA and have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who are fully tax documented for all markets where tax transparency is achieved. The Fund Management Company will inform investors as to required documentation at the point of investment. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund.

**Y10**  
(Y10 CHF, Y10 H-CHF)

Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group, who meet the eligibility criteria in Art. 22 A(2)(c) and (d) of the Switzerland Japan Double Taxation Agreement and are entitled to partial relief from Japan withholding tax on Japan dividends (10% applicable withholding tax rate, as at the date of the prospectus). Further to the criteria outlined in Art. 22 A(2)(c) and (d), additional investors may be eligible for partial relief which will require verification both from a technical and operational perspective before any investment can be made. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund.

**Y15**  
(Y15 CHF, Y15 H-CHF)

Accumulating and limited to qualified investors domiciled in Switzerland pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group and who according to the US Swiss Double Taxation Agreement, are entitled to partial relief from US withholding tax on US dividends (15% applicable withholding tax rate). Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund.

**Y NT A**  
(Y NT A CHF)

Distributing and limited to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA who have concluded an asset management agreement, a cooperation agreement or an equivalent written agreement with the Fund Management Company or with entities of the BlackRock Group. Subject to the relevant agreements, the consideration for the asset management and the administration will be invoiced directly to the investor, outside of the sub-fund.

**Z**  
(Z CHF, Z USD, Z AUD)

Accumulating and limited to seed/early stage investors domiciled in Switzerland. The issue of units in the class, at a discounted management fee rate, is limited.

The details regarding retrocessions are specified in the prospectus. Further details, such as fees and commissions as well as subscription and redemption of units in the individual classes can be found in the Summary Table in the prospectus.

If the fund management company or another BlackRock Group company subscribes units of a unit class in its own name in order to activate or maintain the unit class, compliance with the class specific criteria of the respective unit class is not required.

5. The unit classes that are launched are indicated in the Summary Table at the end of the prospectus. The units shall not take the form of actual certificates but shall exist exclusively as book entry units. The investor does not have the right to request delivery of a unit certificate issued in its name or in bearer form. In general, the units must be kept in the accounts by the Custodian Bank via a deposit account or by SIX SIS Ltd as an external custodian (deliverability). Fractional parts of units are issued to the third decimal place.
6. The Custodian Bank and the Fund Management Company are obliged to request investors who no longer meet the conditions for holding a unit class to redeem their units within 30 calendar days pursuant to § 17, to transfer to a person who does meet the aforementioned conditions, or to switch into units of another unit class whose conditions will be met. If an investor fails to comply with such request, the Fund Management Company may, in cooperation with the Custodian Bank, effect a compulsory conversion into another unit class of the relevant sub-fund, or, should this not be possible, effect a compulsory redemption of the relevant units in cooperation with the Custodian Bank (see § 5 cipher 8 and 9 above).

## Investment Policy Guidelines

### A: Investment Principles

## § 7 Compliance with Investment Regulations

1. When selecting the individual investments of each sub-fund, the Fund Management Company must observe the percentage limits defined below in order to achieve a balanced risk diversification. These limits relate to the assets of the individual sub-funds at market value and must be complied with at all times. Newly created sub-funds must comply with the investment restrictions within six months after the expiry of the subscription period (launch).
2. If the limits are breached as a result of market-related changes or changes in the relevant sub-fund's assets, the investments must be restored to the permitted level within a reasonable period of time, taking due account of the investors' interests. If the limits relating to derivatives pursuant to § 12 below are breached due to a change in delta, the permitted levels must be restored within three bank working days taking due account of the investors' interests.

## § 8 Investment Policy

1. The investment policy for each sub-fund is laid out in the Special Section of this fund contract.
2. Within the framework of the specific investment policy of each sub-fund pursuant to the Special Section, the Fund Management Company may invest the assets of the individual sub-funds in the following instruments (the risks of which must be disclosed in the prospectus):
  - a) Securities and rights (*Effekten*), meaning securities issued on a large scale and uncertificated rights having the same function (uncertificated securities) that are traded on a stock exchange or other regulated market open to the public, and which represent a participation right or claim or the right to acquire such securities and uncertificated securities by way of subscription or exchange, for example warrants;  
Investments in securities from new issues are only permitted if their admission to a stock exchange or other regulated market open to the public is provided for under the terms of issue. If they have not been admitted to a stock exchange or other regulated market open to the public within a year after their acquisition, these securities must be sold within one month or included under the limit set down in § 8 cipher 2 lit. i.;
  - b) Derivatives, if (i) the underlying instruments are securities pursuant to lit. a, derivatives pursuant to lit. b, units of collective investment schemes pursuant to lit. d, units of other funds for alternative investments pursuant to lit. e, units of domestic and foreign real estate funds pursuant to lit. f, money market instruments pursuant to lit. g, financial indices, interest rates, exchange rates, credits or currencies, and (ii) the underlying instruments are permitted as investments under the fund contract. Derivatives are either traded on a stock exchange or other regulated market open to the public, or are traded OTC;  
Investments in OTC traded derivatives (OTC transactions) are permitted only if (i) the counterparty is a regulated financial intermediary specialising in such transactions, and (ii) the OTC derivatives can be traded daily or a return to the issuer is possible at any time. In addition, it shall be possible for them to be valued in a reliable and transparent manner. Derivatives may be used pursuant to § 12.
  - c) Structured products, if (i) the underlying instruments are securities pursuant to lit. a, derivatives pursuant to lit. b, units of collective investment schemes pursuant to lit. d, money market instruments pursuant to lit. g, financial indices, interest rates, exchange rates, credits or currencies, and (ii) the underlying instruments are permitted as investments under the fund contract. Structured products are either traded on a stock exchange or other regulated market open to the public, or are traded OTC;  
Investments in OTC traded structured products (OTC transactions) are permitted only if (i) the counterparty is a regulated financial intermediary specialising in such transactions, and (ii) the OTC products can be traded daily or a return to the issuer is possible at any time. In addition, it shall be possible for them to be valued in a reliable and transparent manner.
  - d) Units and/or shares of open-ended domestic and foreign collective investment schemes including "Exchange Traded Funds" ("ETF") or undertakings for collective investment ("Target Funds"), provided these Target Funds are subject to provisions equivalent to those pertaining to other funds for traditional investments in respect of their purpose, organisation, investment policy, investor protection, risk diversification, segregated safe-keeping of the fund assets, borrowing, lending, short-selling of securities and money market instruments, issue and redemption of units and the content of the semi-annual and annual reports; and these Target Funds are approved as collective investment schemes and/ or investment organisations (*Anlageorganismen*) in their country of domicile and are subject to a local supervision which is equivalent to that in Switzerland and dedicated to protect investors, and that international legal assistance is ensured.  
Units and/or shares of closed-ended collective investment schemes or undertakings for collective investment with similar function ("Target Funds"), provided these Target Funds are subject to provisions equivalent to those pertaining to other funds for traditional investments in respect of their purpose, organisation, investment policy, investor protection, risk diversification, segregated safe-keeping of the fund assets, borrowing, lending, short-selling of securities and money market instruments, issue and redemption of units and the content of the semi-annual and annual reports; and these Target Funds are approved as collective investment schemes and/ or investment organisations (*Anlageorganismen*) in their country of domicile and are subject to a local supervision which is equivalent to that in Switzerland and dedicated to protect investors, and that international legal assistance is ensured.  
The Target Funds are subject to their own investment restrictions which are set out in their own fund documentation.  
Investments which are made in Target Funds must generally be invested in Target Funds which, in their fund documentation, have set out a redemption and/or trading frequency which corresponds with the redemption and/or trading frequency of this umbrella fund.  
The legal form of the Target Fund is irrelevant which may be collective investment schemes on a contractual basis, collective investment schemes having a corporate form, unit trusts or limited partnerships.
  - da) Units and/or shares of open-ended or closed-ended foreign collective investment schemes including "Exchange Traded Funds" ("ETF") or undertakings for collective investments ("Target Funds"), up to a total of 10% of the assets of an individual sub-fund, of the type other fund for traditional or alternative investments (or similar), regardless of their legal structure and classification, that are not subject to supervision or to a local supervision which is equivalent to that in Switzerland.

- e) Units of other funds for alternative investments. The following are permitted:
- Units of collective investment schemes under Swiss law which invest in alternative investments (generally known as hedge funds);
  - Units of foreign undertakings for collective investment (UCI), which correspond to "Other funds for alternative investments" under Swiss law (subject to equivalent supervision).  
The Fund Management Company may invest up to 10% of the assets of each sub-fund in units of other funds for alternative investments.
  - Funds of funds under Swiss or foreign law, which invest in units of alternative investments, pursuant to sub-section 2 lit. e) (generally known as a fund of hedge funds). The relevant limit in % of the assets of a sub-fund, for which the Special Section provides for the possibility of investing in these fund of funds, is also set out in the relevant Special Section.
- f) Units of open-ended domestic and foreign real estate funds or other open-ended undertakings for collective investment with similar function, whose units are periodically redeemed or repurchased on the basis of their net asset value.  
Units in closed-ended domestic or foreign real estate funds or other closed-ended undertakings for collective investment with similar function which are traded on a stock exchange or other regulated market open to the public.  
Foreign real estate funds may be set up according to the law of any country in which they are subject to supervision equivalent to that in Switzerland and international legal assistance is ensured.
- g) Money market instruments, provided these are liquid, can be readily valued and are traded on a stock exchange or other regulated market open to the public; money market instruments which are not traded on a stock exchange or other regulated market open to the public may be acquired only if the issue or the issuer is subject to provisions regarding creditor or investor protection and if the money market instruments are issued or guaranteed by issuers pursuant to Art. 74 para. 2 CISO.
- h) Sight and term deposits with terms to maturity not exceeding twelve months with banks having their seat in Switzerland or in a member state of the European Union or in another country, provided that the bank is subject to supervision in this country which is equivalent to the supervision in Switzerland.
- i) Investments other than those specified in a) to h) above up to a total of 10% of the assets of an individual sub-fund. The following are not permitted: (i) investments in metals (with the exception of precious metals), metal certificates (with the exception of precious metal certificates), commodities and commodity certificates (also excluded are physical deliveries of any kind) as well as (ii) true short-selling of investments pursuant to a) to h) above.
3. The Fund Management Company may, subject to § 20, acquire units of other collective investment schemes which are managed directly or indirectly by the Fund Management Company itself or by an entity affiliated to the Fund Management Company by common management or control or by a direct or indirect material participation in the capital or voting rights of this entity.
4. With regard to indirect investments via derivatives, it should be noted that an accumulation of risk exposures may occur when investing in such instruments, as in addition to the market risk of the underlying investment, the investor is exposed to the counterparty risk of the issuer of the derivative instrument. This risk accumulation can be of particular importance in the case of the systematic use of derivatives on market indices instead of a broadly diversified portfolio of direct investments.

## § 9 Liquid Assets

The Fund Management Company may also hold liquid assets for each sub-fund in an appropriate amount in the accounting currency of the sub-fund concerned, in any other currency in which investments for the sub-fund concerned are permitted, and as a minimum in USD, CHF, EUR, and GBP. Liquid assets comprise bank deposits as well as claims from repurchase agreements at sight or on demand with maturities of up to twelve months.

## B: Investment Techniques and Instruments

### § 10 Securities Lending

1. For the account of the sub-funds, the Fund Management Company may lend all types of securities which are traded on an exchange or other regulated market open to the public. However, it may not lend securities that have been acquired under a reverse repo transaction.
2. The Fund Management Company may lend securities in its name and for the account of the sub-funds to a borrower (as principal) or appoint an intermediary (as agent) to make the securities at the disposal of the borrower. The Fund Management Company appoints the asset manager, BlackRock Advisors (UK) Limited, as the securities lending agent (the "Lending Agent").
3. The Fund Management Company, or the Lending Agent on its behalf, shall only carry out securities lending transactions with first-class, regulated borrowers and intermediaries which are specialized in transactions of this type, such as banks, brokers and insurance companies, as well as authorized and recognized central counterparties and central securities depositories that guarantee the proper execution of the security lending transactions.
4. If the Fund Management Company, or the Lending Agent on its behalf, must observe a notice period, which may not be more than 7 bank working days, before it can legally dispose of the loaned securities again, it may not lend more than 50% of the eligible holding of a particular security per sub-fund. However, if the borrower or the intermediary provides the Fund Management Company, or the Lending Agent on its behalf, with a contractual assurance that the latter may legally dispose of the securities lent on the same or next bank working day, the entire holdings of a particular instrument type eligible for lending may be lent. There is always such a contractual commitment for securities lending performed by the Lending Agent.
5. The Fund Management Company, or the Lending Agent on its behalf, shall conclude an agreement with the borrower or intermediary whereby the latter shall pledge or transfer collateral pursuant to Art. 51 CISO-FINMA to the Fund Management Company, or the Lending Agent on its behalf, for the purposes of guaranteeing restitution.

The value of the collateral must be appropriate and at all times be at least equal to the market value of the loaned securities. The issuer of the collateral must have a high credit rating and the collateral shall not be issued by the counterparty or a company belonging to or depending of the group of companies of the counterparty. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public and valued at least on every exchange trading day. When managing the collateral, the Fund Management Company and/or its agents must comply with the obligations and requirements pursuant to Art. 52 CISO-FINMA. In particular, they must adequately diversify the collateral in respect of countries, markets and issuers, whereby an appropriate diversification of issuers shall be assumed, if the collateral issued by any single issuer does not account for more than 20% of net asset value of a sub-fund, subject to exemptions for publicly guaranteed or issued investments pursuant to Art. 83 CISO. Further, in the event of default by the counterparty, the Fund Management Company and/or its agents must be able to obtain at any time the power of disposal and the right for disposal over the collateral received without involving the counterparty or obtaining its consent. The collateral received shall be kept safe with the Custodian Bank. The collateral received may be held on behalf of the Fund Management Company with a regulated third party depository provided the ownership on the collateral is not transferred and the third party depository is independent of the counterparty.

6. The borrower or intermediary is liable for ensuring the prompt, unconditional payment of any income accruing during the lending period, as well as for the assertion of other proprietary rights and for the contractually agreed return of securities of the same type, quantity and quality.
7. The Custodian Bank shall ensure that the securities lending transactions are handled in a secure manner in line with the agreements and in particular shall monitor compliance with the requirements relating to collateral. Throughout the duration of the lending transactions it shall also be responsible for the administrative duties assigned to it under the custody account regulations and for asserting all rights associated with the loaned securities, provided these have not been ceded under the terms of an applicable framework agreement.
8. Under the terms of the written agreement between the Fund Management Company and the Lending Agent, the Lending Agent is appointed to manage the securities lending activities of the relevant sub-funds and is entitled to share in the revenue earned from such activities. The income earned from securities lending will be allocated between the relevant sub-funds and the Lending Agent at normal commercial rates. The Lending Agent's agreed revenue share is currently 37.5% of the total income generated from securities lending. The Lending Agent must meet all costs and expenses associated with securities lending out of this share. The remaining income, 62.5%, will be paid to the relevant sub-funds and used in accordance with the relevant investment policy. This revenue share may change, subject to the Fund Management Company being satisfied that any new terms reflect normal commercial rates. Financial information with respect to securities lending for the sub-funds will be included in the annual reports and audited financial statements. The Fund Management Company will, at least annually, review the securities lending arrangements and associated costs.
9. The prospectus contains additional information on the collateral strategy.

## § 11 Securities Repurchase Agreements

1. For the account of the sub-funds, the Fund Management Company may enter into repurchase agreements. Repurchase agreements can be concluded as either "repos" or "reverse repos".

A "repo" is a legally binding transaction whereby one party (the borrower or repo seller) undertakes to temporarily transfer ownership of specific securities to another party (the lender or repo buyer) against remuneration, while the lender undertakes to return to the borrower securities of the same type, quantity and quality at the end of the repo term together with any income earned during such term. The price risk associated with the securities shall be borne by the borrower for the duration of the repo transaction.

From the perspective of the counterparty (lender or repo buyer), a "repo" is a "reverse repo". By means of a "reverse repo", the Fund Management Company acquires securities for investment purposes and at the same time agrees to return securities of the same type, quantity and quality and to transfer all income received during the term of the reverse repurchase agreement.
2. The Fund Management Company may conclude repurchase agreements in its own name and for the account of the sub-funds ("principal transaction"), or may appoint an intermediary to conclude repurchase agreements with a counterparty either indirectly on a fiduciary basis ("agent transaction") or directly ("finder transaction").
3. The Fund Management Company shall only carry out repurchase transactions with first-class, regulated counterparties and intermediaries which are specialized in transactions of this type, such as banks, brokers and insurance companies, as well as authorized and recognized central counterparties and central securities depositories that guarantee the proper execution of the repurchase transactions.
4. The Custodian Bank shall ensure that the repurchase agreements are conducted in a secure manner and that the contractual terms are complied with. It shall ensure that fluctuations in the value of the securities used in the repo transactions are daily compensated in cash or securities (mark to market). Throughout the duration of the repurchase agreement, it is also responsible for the administrative duties assigned to it under the custody account regulations and for asserting all rights pertaining to the securities used in the repo transactions, provided these have not been ceded under the terms of an applicable framework agreement.
5. For repo transactions, the Fund Management Company may use all types of securities which are traded on a stock exchange or other regulated market open to the public. It may not use securities acquired under a reverse repo for repo transactions.
6. If the Fund Management Company must observe a notice period, which may not be more than 7 bank working days, before it can legally dispose of the securities used in a repo transaction again, it may not lend more than 50% of the particular type of security eligible for repo transactions per sub-fund. However, if the counterparty and/or the intermediary provides the Fund Management Company with a contractual assurance that the latter may legally dispose over the securities used in the repo transaction on the same or next bank working day, the entire holdings of a particular type of security eligible for repo transactions may be used.
7. Concluding repo transactions is deemed to be borrowing pursuant to § 13, unless the money received is used to acquire securities of the same type, quality, creditworthiness and maturity in conjunction with the conclusion of a reverse repo.

8. With regard to "reverse repos", the Fund Management Company may only acquire collateral pursuant to Art. 51 CISO-FINMA. The issuer of the collateral must have a high credit rating and the collateral shall not be issued by the counterparty or a company belonging to or depending on the group of companies of the counterparty. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public and valued at least on every exchange trading day. When managing the collateral, the Fund Management Company and/or its agents must comply with the obligations and requirements pursuant to Art. 52 CISO-FINMA. In particular, they must adequately diversify the collateral in respect of countries, markets and issuers, whereby an appropriate diversification of issuers shall be assumed, if the collateral issued by any single issuer does not account for more than 20% of net asset value of a sub-fund, subject to exemptions for publicly guaranteed or issued investments pursuant to Art. 83 CISO. Further, in the event of default by the counterparty, the Fund Management Company and/or its agents must be able to obtain at any time the power of disposal and the right for disposal over the collateral received without involving the counterparty or obtaining its consent. The collateral received shall be kept safe with the Custodian Bank. The collateral received may be held on behalf of the Fund Management Company with a regulated third party depository provided the ownership on the collateral is not transferred and the third party depository is independent of the counterparty.
9. Claims arising from "reverse repos" are deemed to be liquid assets pursuant to § 9 and not lending (*Kreditgewährung*) pursuant to § 13.
10. The prospectus contains additional information on the collateral strategy.

## § 12 Derivatives

1. The Fund Management Company may use derivatives. It shall ensure that, even under extreme market circumstances, the financial effect of the use of derivatives does not result in a deviation from the investment objectives set out in this fund contract, the prospectus and in the key information documents (KID) or equivalent or that it does not change the investment character of the sub-funds. Furthermore, the underlying asset of the derivatives must be permitted as investments according to the present fund contract. In connection with collective investment schemes, derivatives may only be used for currency hedging purposes. The option of hedging market, interest-rate and credit risks in collective investment schemes is reserved provided the risks are clearly identifiable and measurable.
2. **Commitment Approach I** shall be applied for the assessment of risk. The use of derivatives where account is taken of the necessary coverage set out in this paragraph does not result in a leverage effect on the sub-funds' assets, nor does it correspond to short selling.
3. Only basic types of derivatives may be used. These comprise:
  - a) Call or put options whose value at expiration is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price and is zero if the difference is preceded by the opposite algebraic sign;
  - b) Credit Default Swaps (CDS)
  - c) Swaps whose payments are dependent on the value of the underlying or on an absolute amount in both a linear and a path-independent manner;
  - d) Future and forward transactions whose value is linearly dependent on the value of the underlying.
4. The financial effect of the use of derivatives is similar to either a sale (exposure-reducing derivative) or a purchase (exposure-increasing derivative) of an underlying.
5.
  - a) In the case of exposure-reducing derivatives, the arising obligations subject to sections b) and d) must be covered at all times by the underlyings of the derivative.
  - b) Cover with investments other than the underlyings shall be permitted in the case of exposure-reducing derivatives that relate to an index which is:
    - (i) calculated by an independent external office;
    - (ii) representative of the investments serving as cover;
    - (iii) sufficiently well correlated with these investments.
  - c) The Fund Management Company must have unrestricted power to dispose of these underlyings or investments at all times.
  - d) An exposure-reducing derivative can be weighted by the delta in the calculation of the corresponding underlying securities.
6. In the case of exposure increasing derivatives, the equivalent underlying asset of a derivative position must at all times be covered by highly liquid assets in accordance with Art. 34 para. 5 CISO-FINMA. In the case of futures, options, swaps and forwards the equivalent underlying asset is determined in accordance to Appendix 1 of CISO-FINMA.
7. The Fund Management Company must take account of the following rules when netting derivative positions:
  - a) Counter positions in derivatives based on the same underlying as well as counter positions in derivatives and in investments in the same underlying may be netted, irrespective of the maturity date of the derivatives ("netting"), provided the derivative transaction was concluded with the sole purpose of eliminating the risks associated with the derivatives or investments acquired, the key risks are not neglected and the conversion amount (Anrechnungsbetrag) of the derivatives is determined pursuant to Art. 35 CISO-FINMA.
  - b) If the derivatives in hedging transactions do not relate to the same underlying as the asset that is to be hedged, in addition to the rules under let. a) above, the following conditions must be met for netting ("Hedging"): The derivative transactions may not be based on an investment strategy that serves to generate a profit. In addition, the derivative must lead to a demonstrable reduction in the risk. The risks of the derivative must be balanced. The derivatives, underlyings or assets that are to be netted must relate to the same class of financial instruments and the hedging strategy must be effective even under exceptional market conditions.
  - c) Derivatives, which are used for pure hedging of foreign currency risks and which do not result in a leverage effect,

- or include additional market risks, can be netted without the requirements as specified under let. b) above for the calculation of total exposure from derivatives.
- d) Covered hedging transactions through interest rate derivatives are permitted. Convertible bonds can be ignored when calculating the exposure arising from derivatives.
  8. The Fund Management Company may use both standardised and non-standardised derivatives. It may conclude transactions in derivative financial instruments on an exchange or another regulated market open to the public or in OTC (over-the-counter) trading.
  - 9.
  - a) The Fund Management Company may conclude OTC transactions only with regulated financial intermediaries specialised in such types of transactions that ensure proper execution of the contract. If the counterparty is not the Custodian Bank, the former or its guarantor must meet a high credit rating.
  - b) It must be possible to reliably and verifiably value an OTC derivative on a daily basis and to sell, liquidate or close out the derivative at market value at any time.
  - c) If no market price is available for an OTC- derivative, it must be possible to determine the price at any time by using an appropriate and recognized in practice valuation model, based on the market value of the underlyings from which the derivative was derived. Prior to the conclusion of such derivative contract, specific offers must generally be obtained from at least two potential counterparties, whereby the contract is to be concluded with the counterparty providing the most favourable offer in terms of price. Deviations from this principle are possible for reasons relating to risk diversification, or where other parts of the contract such as credit rating or the range of services offered by the counterparty deem another offer more advantageous overall for the investors. Moreover, provided this is in the best interest of investors, obtaining offers from at least two potential counterparties may exceptionally be omitted. The reasons for this as well as the conclusion of the transaction and pricing shall be documented in a transparent manner.
  - d) The Fund Management Company and/or its agents may in connection with OTC-transactions only accept collateral that meets the requirements set out in Art. 51 CISO-FINMA regarding collateral. The issuer of the collateral must have a high credit rating and the collateral shall not be issued by the counterparty or a company belonging to or depending of the group of companies of the counterparty. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public and valued at least on every exchange trading day. When managing the collateral, the Fund Management Company and/or its agents must comply with the obligations and requirements pursuant to Art. 52 CISO-FINMA. In particular, they must adequately diversify the collateral in respect of countries, markets and issuers, whereby an appropriate diversification of issuers shall be assumed, if the collateral issued by any single issuer does not account for more than 20% of net asset value of a sub-fund, subject to exemptions for publicly guaranteed or issued investments pursuant to Art. 83 CISO. Further, in the event of default by the counterparty, the Fund Management Company and/or its agents must be able to obtain at any time the power of disposal and the right for disposal over the collateral received without involving the counterparty or obtaining its consent. The collateral received shall be kept safe with the Custodian Bank. The collateral received may be held on behalf of the Fund Management Company with a regulated third party depository provided the ownership on the collateral is not transferred and the third party depository is independent of the counterparty.
  10. In respect of compliance with the statutory and contractual investment restrictions (maximum and minimum limits), derivatives shall be taken into account in accordance with the legislation on collective investment schemes.
  11. The prospectus contains information concerning risks associated with the use of derivatives on the risk profile, the importance of derivatives as part of the investment strategy, the counterparty risk attached to derivatives as well as the collateral strategy.

### **§ 13 Raising and granting Loans**

1. The Fund Management Company may not grant loans for the sub-funds' account. Securities lending transactions pursuant to § 10 and repurchase agreements taking the form of reverse repos pursuant to § 11 are not deemed to be loans within the meaning of this clause.
2. The Fund Management Company may borrow for each sub-fund the equivalent of up to 10% of the net assets of the relevant sub-fund on a temporary basis. These loans may not be used for investment purposes.  
Repurchase agreements as repos pursuant to § 11 are deemed to be borrowing within the meaning of this clause unless the funds obtained are used as part of an arbitrage transaction for the acquisition of securities of the same type, quality, creditworthiness and maturity in connection with a reverse repo.

### **§ 14 Encumbrance of the Sub-fund's Assets**

1. No more than 25% of the net assets of each sub-fund may be pledged or ownership thereof transferred as collateral by the Fund Management Company at the expense of the sub-fund concerned.
2. The net assets of the relevant sub-fund may not be encumbered with guarantees. An exposure-increasing credit derivative is not deemed to be a guarantee within the meaning of this paragraph.

## **C: Investment Restrictions**

### **§ 15 Risk Diversification**

1. The regulations on risk diversification shall include the following:
  - a) investments pursuant to § 8, with the exception of index-based derivatives, provided the index is sufficiently diversified, it is representative of the market it relates to and is published in an appropriate manner;
  - b) liquid assets pursuant to § 9;
  - c) claims against counterparties arising from OTC transactions.



- The regulations on risk diversification apply to each sub-fund individually.
2. Companies which form a group (*Konzern*) in accordance with international accounting regulations shall be regarded as one issuer.
  3. Including derivatives and structured products, the Fund Management Company may invest up to a maximum of 10% of the assets of a sub-fund in securities and money market instruments of the same issuer. The total value of the securities and money market instruments of issuers in which more than 5% of the assets of a sub-fund are invested may not exceed 40% of the assets of the relevant sub-fund, subject to the provisions under cipher 4 and 5.
  4. The Fund Management Company may invest up to a maximum of 20% of the assets of a sub-fund in sight and term deposits with the same bank. Both, liquid assets pursuant to § 9 and investments in bank deposits pursuant to § 8 shall be included in this limit.
  5. The Fund Management Company may invest up to a maximum of 5% of the assets of a sub-fund in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or a member state of the European Union or another country in which it is subject to supervision equivalent to that in Switzerland, this limit shall be increased to 10% of the relevant sub-fund's assets.  
If the claims from OTC transactions are covered by collateral in form of liquid assets pursuant to Art. 50 to 55 CISO-FINMA, these claims shall not be included in the calculation of the counterparty risk exposure.
  6. Investments, deposits and claims pursuant to ciphers 3 to 5 above of the same issuer and/or borrower may not exceed 20% of the assets of a sub-fund in total, save for the applicable higher limits under ciphers 12 and 13 hereafter.
  7. Investments pursuant to cipher 3 above of the same group of companies may not exceed 20% of the assets of a sub-fund in total, save for the applicable higher limits under ciphers 12 and 13 hereafter.
  8. The Fund Management Company may invest up to a maximum of 20% of the assets of each sub-fund in units of the same Target Fund.
  9. The Fund Management Company may not acquire participation rights which represent in total more than 10% of the company's voting rights or which would enable it to exert a major influence over the management of an issuer, save for exceptions granted by the competent supervisory authority.
  10. The Fund Management Company may acquire for the assets of a sub-fund up to a maximum of 10% of the non-voting equity and debt instruments and/or money market instruments of the same issuer, as well as up to a maximum of 40% of units of other collective investment schemes.  
These restrictions do not apply if the gross amount of the debt securities, money market instruments or the units of other collective investment schemes cannot be calculated at the time of the acquisition.
  11. The restrictions in ciphers 9 and 10 above do not apply to securities and money market instruments which are issued or guaranteed by a country or a public law entity from the OECD, or by international public law organisations to which Switzerland or a Member State of the European Union belong.
  12. The limit stipulated in cipher 3 above is increased from 10% to 35% if the securities or money market instruments are issued or guaranteed by an OECD country, a public law entity from the OECD, or by public international bodies of which Switzerland or a member state of the European Union are members. The afore-mentioned securities or money market instruments shall not be taken into account when applying the 40% limit pursuant to cipher 3. However, the individual limits specified in cipher 3 and 5 may not be combined with the existing limit of 35%.
  13. The limit stipulated in cipher 3 above is increased from 10% to 100% if the securities or money market instruments are issued or guaranteed by an OECD country, a public law entity from the OECD, or by public international bodies of which Switzerland or a member state of the European Union are members. In this case, each sub-fund concerned must invest in securities or money market instruments from at least six different issues; no more than 30% of the assets of each sub-fund concerned may be invested in securities or money market instruments of the same issue. The afore-mentioned securities or money market instruments shall not be taken into account when applying the 40% limit pursuant to cipher 3.  
The above-mentioned authorized issuers and/or guarantors include: OECD countries: European Union (EU), Council of Europe, Eurofinanz, International Bank for Reconstruction and Development (The World Bank), European Bank for Reconstruction and Development, European Investment Bank, The Inter-American Development Bank, Nordic Development Bank, The Asian Development Bank and African Development Bank.

## Calculation of the Net Asset Value and Issue and Redemption of Units

### § 16 Calculation of the Net Asset Value

1. The net asset value of each sub-fund and the share of net assets attributable to the individual classes (quotes) are calculated in the accounting currency of the relevant sub-fund, respectively unit class, at market value as of the end of the financial year and as a minimum for all other specified dates as shown in the prospectus, as well as for each day on which units are issued or redeemed (bank working day).
2. Investments traded on a stock exchange or other regulated market open to the public must be valued at the price paid, provided (bid and/or offer price) or calculated (mid-market price) on the main market or at the price according to the index provider. Other assets, rights or investments (including the above investments) for which appropriate rates are not readily available must be valued at the price which probably would have been obtained in a diligent sale at the time of the valuation. In such cases, the Fund Management Company shall use appropriate and recognized valuation models and principles to determine the market value (“fair valuation”).
3. Open-ended collective investment schemes are valued at their redemption price and/or net asset value. Provided, they are regularly traded on a stock exchange or other regulated market open to the public, the Fund Management Company may value them in accordance with cipher 2.
4. The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows:  
The valuation price of such investments is successively adjusted in line with the repayment price, taking the net

- purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the calculations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
5. Bank deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions or the creditworthiness, the valuation principles for time deposits will be adjusted in line with the new circumstances.
  6. The net asset value of a unit of a unit class is determined by the quota of the assets of this sub-fund allotted to that unit class, minus any liabilities (*Schuldverpflichtungen*) of this sub-fund allotted to that unit class, divided by the number of units of that unit class in circulation. The net asset value is rounded to two decimal figures, except for BlackRock US Dollar Liquidity Fund (CH) which will be rounded to four decimal figures.
  7. The quota of the market value of the net assets of a sub-fund which are allotted to the respective unit classes is determined for the first time at the initial issue of more than one unit class (if this occurs simultaneously) and/or the initial issue of an additional unit class. The calculation is made on the basis of the assets accruing to the relevant sub-fund for each unit class. The quota shall be recalculated in the following events:
    - a) when units are issued and redeemed; or
    - b) on the pertinent date for distributions, provided that (i) such distributions are only made for individual unit classes (distribution classes) or provided that (ii) the distributions of the various unit classes differ when expressed as a percentage of the respective net asset values or provided that (iii) different commission or costs are charged on the distributions of the various unit classes when expressed as a percentage of the distribution; or
    - c) when the asset value is calculated as part of the allocation of liabilities (including due or accrued costs and commissions) to various unit classes, provided that the liabilities of various unit classes are different when expressed as a percentage of the respective net asset value, in particular when different commission rates are applied to various unit classes or if class-specific costs are charged; or
    - d) when the net asset value is calculated as part of the allocation of income or capital gains to various unit classes, provided that the income or capital gains stem from transactions (e.g. currency hedging) made solely in the interests of one unit class or in the interests of several unit classes but disproportionately to their share of the net assets of the relevant sub-fund.

## § 17 Issue and Redemption of Units

1. Subscription or redemption orders for units are accepted on any bank working day (Order Date) up until a time specified in the Summary Table in the prospectus. The relevant issue and redemption price of units is determined based on the closing prices from the date of relevant valuation as per the Summary Table, except for BlackRock US Dollar Liquidity Fund (CH) for which the issue and redemption price of the units is determined based on the prices available at 2.30 pm (CET). In all cases the basis of the prices is not yet known at the time when orders are placed (Forward Pricing). Details are set out in the prospectus.

Issue and redemption orders may specify either the number of units of the fund to be issued/redeemed or the value of units to be issued/redeemed. Where a request is submitted by units for the BlackRock US Dollar Liquidity Fund (CH), the Fund Management Company or the Custodian Bank may request a confirmation of the value of units or require that the request be provided in terms of value of units instead. If contributions or redemptions are made in kind (cf. § 18), the same shall apply to the valuation of these investments.
2. The issue and redemption price of the units is based on the net asset value per unit calculated according to § 16. On issue, incidental costs (namely standard brokerage fees, commissions, taxes and duties, transactions costs (e.g. execution and slippage costs), etc.) which are incurred by the relevant sub-fund on average due to the investment of the amount paid in or due to hedging costs (for hedged unit classes) of up to 6.00% of the net asset value are added to the net asset value of the sub-fund, subject to § 19 cipher 1. On redemption, incidental costs which are incurred by the relevant sub-fund on average due to the sale of a portion of the investments corresponding to the terminated unit or due to hedging costs (for hedged unit classes) of up to 6.00% of the net asset value are deducted from the net asset value of the sub-fund. Moreover, when issuing and redeeming units, an issuing commission may be added to the net asset value pursuant to § 19, or a redemption commission may be deducted from the net asset value pursuant to § 19.

No issue and/or redemption expenses are levied when contributing or redeeming assets in kind and not in cash according to § 18 or when switching between unhedged unit classes within a sub-fund.
3. The issue price and/or redemption price must be settled in accordance with the value date according to the Summary Table in the prospectus.
4. The Fund Management Company may temporarily or fully suspend the issue of units at any time, and/or may reject individual applications to subscribe for or switch units without assigning any reason therefor.
5. The Fund Management Company may temporarily and by way of exception defer repayment in respect of units in the interests of all investors:
  - a) if a market which is the basis for the valuation of a significant proportion of the assets of the relevant sub-fund is closed, or if trading on such market is restricted or suspended;
  - b) in the event of a political, economic, military, monetary or other emergency;
  - c) if transactions for the umbrella fund and/or its sub-funds are made impossible due to restrictions on foreign exchange or restrictions in relation to other transfers of assets;
  - d) in the event of large-scale redemption of units that could significantly affect the interests of the remaining investors.
6. The Fund Management Company shall immediately inform the audit company and supervisory authority and informs investors in an appropriate manner of any suspension decision pursuant to cipher 5.
7. Units shall not be issued for as long as the repayment of units is deferred for the reasons stipulated under cipher 5 lit. a) to c).

8. If, on an Order Date, the net amount of the total subscriptions and redemptions received (contributions and redemptions in kind are disregarded), is more than 10% of the net asset value of a sub-fund, the Fund Management Company may, by way of exception and only if the liquidity of the main investment markets underlying the reference index is insufficient, at its discretion shorten and defer to the next Order Date the redemption of the units above 10% in the interests of the existing investors pro rata in respect of each application. The deferred applications are handled in accordance with the provisions applicable to this next Order Date. No interest is charged in respect of the deferred applications. Any such decision to postpone or gating and its lifting must be immediately communicated to the audit firm and FINMA. Investors shall also be informed in an appropriate manner.

## § 18 Contribution and Redemption in Kind and not in Cash

1. Each investor may request when subscribing for units to exchange in kind assets instead of making a cash payment into the sub-fund's assets ("**contribution in kind**") and/or when redeeming units to exchange in kind assets instead of receiving a cash payment out of the sub-fund's assets ("**redemption in kind**") and such application shall be made together with the subscription and/or redemption. The Fund Management Company shall not be obliged to authorize in kind contributions and redemptions.
2. The Fund Management Company shall have sole discretion to decide on in kind contributions or redemptions and shall only accept such transactions if they can be carried out in full compliance with the investment policy of the relevant sub-fund and if the interests of the remaining investors are not affected.
3. Costs incurred in connection with an in kind contribution or redemption shall be borne exclusively by the investor having submitted such application.
4. The Fund Management Company shall establish a report for in kind contributions or redemptions containing information on the individual investments transferred, the market value of these investments on the date of the transfer, the number of units issued or redeemed in exchange and any surplus settlement paid in cash. For each in kind contribution or redemption, the Custodian Bank shall check the valuation of the investments transferred and the units issues and/or redeemed, each with regard to the relevant transfer date, and whether the Fund Management Company complies with its duty of loyalty. The Custodian Bank shall immediately inform the audit company about any reservations or objections.
5. Transactions relating to in kind contributions and redemptions must be disclosed in the annual report.

## Fees and Incidental Costs

### § 19 Fees and Incidental Costs charged to the Investor

1. No issuing commission or redemption commission is charged to the investor on the issue of units or on the redemption of units. When issuing and redeeming units or in case of switch between two hedged unit classes or between a hedged and an unhedged unit class within a sub-fund, the Fund Management Company regularly also charges fixed issue and redemption expenses accruing to the assets of the relevant sub-fund in order to cover the incidental costs which are incurred by the sub-fund on average due to the investment of the amount paid in and/or to the sale of a portion of the investments corresponding to the terminated unit or due to hedging at the level of the unit classes (for hedged unit classes) (cf. § 17 cipher 2). For certain subscriptions and redemptions, the incidental costs actually incurred may fall below or exceed the fixed issue and redemption expenses. In these cases, the Fund Management Company may, at its discretion, by way of exception and temporarily, increase or reduce the level of the fixed issue and redemption expenses up to a maximum value indicated in § 17 cipher 2 and in the Summary Table.
2. The Custodian Bank shall charge the investor a commission of up to 0.50% for the distribution of the liquidation proceeds in the event of the dissolution of a sub-fund.

### § 20 Fees and Incidental Costs charged to the Sub-fund's Assets

1. For the administration (*Leitung*), asset management and distribution activity in relation to the relevant sub-fund and all functions of the Custodian Bank, e.g. the safe-keeping of the assets of the sub-funds, the provision of payment transactions and other duties specified in § 4 of this fund contract, the Fund Management Company shall charge the relevant sub-fund a flat-rate management fee based on the net assets of the assets of the relevant sub-fund of up to 1.00%, which shall be charged the assets of the sub-fund pro rata temporis each time the net asset value will be calculated and shall be paid out on a monthly basis (flat-rate management fee). The maximum flat-rate management fee for each unit class is indicated in the Summary Table in the prospectus. The flat-rate fee may be charged at different rates for individual sub-funds and unit classes within a sub-fund. The rate actually applied in each case is disclosed in the annual and the semi-annual report.
2. The following fees and incidental costs of the Fund Management Company and the Custodian Bank, which may also be charged to the assets of the relevant sub-fund, are not included in the flat-rate management fee:
  - a) Costs for the purchase and sale of investments, namely standard brokerage fees, commissions, taxes and duties;
  - b) Duties of the supervisory authority for the creation, amendment, liquidation, merger or amalgamation of the umbrella fund and/or a sub-fund;
  - c) The supervisory authority's annual fees;
  - d) The audit firm's fees for certifications in the case of creation, amendments, liquidation or mergers of the umbrella fund and/or a sub-fund;
  - e) Fees for legal and tax advisors in connection with the creation, amendments, liquidation, merger or amalgamation of the umbrella fund and/or a sub-fund and general actions taken for the purpose of safeguarding the interests of the umbrella fund and/or a sub-fund and their investors;
  - f) the cost of publishing the net asset value of the umbrella fund or the sub-funds respectively, as well as all costs relating to the provision of communication and notices to investors, including translation costs, provided such costs

- cannot be ascribed to any failure on the part of the Fund Management Company;
- g) the cost of printing legal documents, as well as the umbrella fund's and the sub-funds' annual and semi-annual reports;
  - h) Costs associated with the exercise of voting rights or creditor rights by the umbrella fund and/or a sub-fund, including fees for external consultants;
  - i) all costs incurred by the Fund Management Company, asset manager of collective investment schemes or the Custodian Bank taking as a result of extraordinary actions taken for the purpose of safeguarding the interests of the investors.
- 3. For the sub-fund BlackRock US Dollar Liquidity Fund (CH), the Fund Management Company, its agents and the Custodian Bank may, in accordance with the provisions of the prospectus, pay remuneration for distribution activity in respect of units of the sub-funds in or from Switzerland. No retrocessions are being paid for the other sub-funds. The Fund Management Company and its agents may, in accordance with the provisions of the prospectus, pay rebates to reduce the fees or costs incurred by the investor and charged to the relevant sub-fund.
  - 4. The costs directly attributable to a sub-fund and/or a unit class shall be charged directly to this sub-fund and/or unit class. Costs which cannot be clearly allocated to an individual sub-fund and/or unit class shall be charged to all sub-funds and/or unit classes in relation to their individual assets.
  - 5. If the Fund Management Company acquires units of other collective investment schemes which are managed directly or indirectly by the Fund Management Company itself or by an entity affiliated to the Fund Management Company by common management or control or by a direct or indirect material participation in the capital or voting rights of this entity, it shall charge a management fee to the assets of the relevant sub-fund in respect of such investments of up to 1% per annum of the net asset value. Furthermore, no issuing or redemption commission may be charged to the assets of the relevant sub-fund asset in this amount. The annual report must disclose the maximum rate of the management fee of the relevant Target Funds, including any retrocessions and rebates per sub-fund.

## Financial Statements and Audits

### § 21 Financial Statements

- 1. The financial year runs from 1 August to 31 July.
- 2. The accounting currency is indicated for each sub-fund in the Special Section and in the Summary Table at the end of the prospectus.
- 3. The Fund Management Company shall publish an audited annual report for the umbrella fund and/or its sub-funds within four months following the end of the financial year.
- 4. The Fund Management Company shall publish a semi-annual report for the umbrella fund and/or its sub-funds within two months following the end of the first half of the financial year.
- 5. The investor's right to obtain information pursuant to § 5 cipher 5 is reserved.

### § 22 Audits

The audit company shall examine whether the Fund Management Company and the Custodian Bank have complied with the statutory and contractual provisions, as well as if applicable the code of conduct of the Asset Management Association Switzerland (AMAS). The annual report shall contain a short report by the audit company on the published annual financial statement.

## Appropriation of Net Income

### § 23 Distributing and Accumulating Classes

- 1. Distributing Classes
  - a) The net income of a sub-fund shall be announced and distributed to the investors annually in the reference currency of each unit class within four months of the close of the financial year. The Fund Management Company may make additional interim distributions from the income. Up to 30% of the net income of a unit class may be carried forward to the next financial year. The distribution of income may be waived and the total net income may be carried forward to the next financial year if:
    - (i) the net income of the current financial year and income carried forward from previous financial years for the collective investment scheme or unit class is less than 1% of the net asset value of the collective investment scheme or unit class, and
    - (ii) the net income of the current financial year and income carried forward from previous financial years for the collective capital investment or unit class is less than one unit of the accounting currency and/or less than CHF 1 of the collective investment scheme and/or unit class.
  - b) Capital gains realised on the sale of assets and rights can be distributed by the Fund Management Company or retained for the purpose of reinvestment.
- 2. Accumulating Classes
  - a) The net income of the sub-funds shall be added annually to the relevant sub-fund per unit class for the purpose of reinvestment, subject to any taxes and duties charged on the reinvestment.
  - b) Capital gains realised on the sale of assets and rights shall be retained by the Fund Management Company for the purpose of reinvestment.

## Official Publications of the Umbrella Fund and/or the Sub-funds

### § 24 Publication

1. The official publication medium used by the umbrella fund and/or the sub-funds is specified in the prospectus. The change of the official publication medium must be announced in the official publication medium.
2. In particular, the following information shall be published in the official publication medium: summaries of material amendments to the fund contract, including the places where the amended wording may be obtained free of charge; the change of the Fund Management Company and/or Custodian Bank, the creation, liquidation or merger of unit classes, as well as the liquidation of individual sub-funds. Amendments required by law which do not affect the rights of investors or which are of a pure formal nature may be exempted from the duty to publish, subject to the approval of the supervisory authority.  

Each time units are issued or redeemed, the Fund Management Company shall publish for each sub-fund the issue and redemption prices and/or the net asset value for all unit classes together with a footnote "excluding commissions" in the medium of publication specified in the prospectus. The prices shall be published at least twice per month.
3. The prospectus, including the fund contract and the key information document (KID) or equivalent, and the relevant annual and semi-annual reports may be obtained free of charge from the Fund Management Company, the Custodian Bank and all distributors.

## Restructuring and Dissolution

### § 25 Mergers

1. Subject to the consent of the Custodian Bank, the Fund Management Company can merge individual sub-funds with other sub-funds or other investment funds by transferring – as of the time of the merger - the assets and liabilities of the merging sub-fund/s and/or investment fund/s to the receiving sub-fund and/or fund. The investors of the merging sub-fund/s and/or investment fund/s shall receive a corresponding number of units of the receiving sub-fund and/or investment fund. The merging sub-fund and/or investment fund will be dissolved without liquidation at the time when the merger takes place, and the fund contract of the receiving sub-fund and/or investment fund shall also apply for the merging sub-fund and/or investment fund.
2. Sub-funds and/or investment funds may be merged only if:
  - a) provision for this is made in the relevant fund contracts;
  - b) they are managed by the same Fund Management Company;
  - c) the relevant fund contracts are basically identical in terms of the following provisions:
    - (i) the investment policy, investment techniques, risk diversification, as well as the risks associated with the investment;
    - (ii) the appropriation of net income and capital gains from the sale of assets and rights;
    - (iii) the type, amount and calculation of all fees, issue and redemption commission together with the incidental costs for the purchase and sale of investments (brokerage fees, charges, duties) that may be charged to the assets of the investment fund and/or sub-fund or to the investors;
    - (iv) the redemption conditions;
    - (v) the duration of the contract and the conditions of dissolution.
- d) the assets of the participating investment funds and/or participating sub-funds are valued, the exchange ratio is calculated and the assets and liabilities are taken over on the same day;
- e) no costs shall arise as a result for either the investment fund and/or sub-fund or investors.
3. If the merger is likely to take more than one day, the supervisory authority may authorize a limited deferral of repayment in respect of the units of the participating investment funds and/or sub-funds.
4. At least one month prior to the planned publication, the Fund Management Company must submit for review to the supervisory authority the intended amendments to the fund contract and the intended merger together with the merger schedule. The merger schedule must contain information on: the reasons for the merger; the investment policy of the participating investment funds and/or participating sub-funds and any differences between the receiving and the merging investment fund and/or sub-fund; the calculation of the exchange ratio; any differences in the fees or in any tax implications for the investment funds and/or sub-funds; and a statement of the regulatory audit company (*aufsichtsrechtliche Prüfgesellschaft*).
5. The Fund Management Company shall publish the intended amendments to the fund contract as well as the date of the merger, including the merger schedule at least two months prior to the effective date in the official publication medium of the participating investment fund and/or sub-fund. In this notice, the Fund Management Company must inform the investors that they may lodge objections against the proposed amendments to the fund contract with the supervisory authority within 30 days of the publication of the notice, or may request the repayment of their units.
6. The audit company must check immediately that the merger is being carried out correctly, and shall submit a report containing its comments in this regard to the Fund Management Company and the supervisory authority.
7. The Fund Management Company, without delay, shall notify the supervisory authority of the completion of the merger and shall publish a notice in the official publication mediums of the participating investment funds and/or sub-funds informing about the completion of the merger; the confirmation of the audit company of the proper execution of the merger; and the exchange ratio.
8. The Fund Management Company must refer to the merger in the next annual report of the receiving investment fund and/or sub-fund and in the semi-annual report if published prior to the next annual report. If the merger does not take place on the regular closing date of the financial year, a revised final report must be produced for the merging investment fund and/or sub-fund.

## § 26 Duration of the Sub-funds and Dissolution

1. The sub-funds have been established for an indefinite period.
2. The Fund Management Company or Custodian Bank may dissolve individual sub-funds by terminating the fund contract without notice. If the Fund Management Company receives redemption orders exceeding 70% of the assets of a specific sub-fund at any given business day, it may (but is not obliged to) immediately dissolve the respective individual sub-fund on that same given day taking due account of the investors' interests and all redemption orders received on that respective day will be included in the liquidation of the sub-fund.
3. The individual sub-funds may be dissolved by order of the supervisory authority, in particular if a sub-fund does not dispose of net assets of CHF 5 million (or the equivalent in the accounting currency) at the latest one year after the expiry of the subscription period (launch) or any extended period approved by the supervisory authority upon request of the Fund Management Company and Custodian Bank.
4. The Fund Management Company shall immediately notify the supervisory authority of the dissolution and inform the public about it by publishing a notice in the official publication medium.
5. Upon termination of the fund contract, the Fund Management Company may immediately liquidate the assets of the umbrella fund and/or the relevant sub-fund. If the supervisory authority has ordered the dissolution of a sub-fund, it must be liquidated immediately. The Custodian Bank is responsible for the payment of liquidation proceeds to the investors. If the liquidation proceedings are protracted, payment may be made in instalments. Prior to the final payment, the Fund Management Company must obtain authorisation from the supervisory authority.

## Amendments to the Fund Contract, Change of Fund Management Company or Custodian Bank

### § 27 Amendments

If the present fund contract is amended, or if it is intended to merge unit classes or to change the Fund Management Company or Custodian Bank, the investor may lodge objections with the supervisory authority within 30 days following the last respective publication. In the publication, the Fund Management Company shall inform the investors about which of the amendments to the fund contract will be reviewed and their compliance with the law will be ascertained by the FINMA. The investors may also request redemption of their units subject to the contractual notice period. Exceptions in this regard are cases pursuant to § 24 cipher 2 that have been exempted from the publication duty by approval of the supervisory authority.

## Applicable Law and Place of Jurisdiction

### § 28 Applicable Law and Place of Jurisdiction

1. The umbrella fund and individual sub-funds are subject to Swiss law, in particular the Collective Investment Schemes Act, CISA (*Kollektivanlagengesetz, KAG*) of 23 June 2006; the Collective Investment Schemes Ordinance, CISO (*Verordnung über die kollektiven Kapitalanlagen; KKV*) of 22 November 2006; and the FINMA Collective Investment Schemes Ordinance, CISO-FINMA (*Kollektivanlagenverordnung-FINMA, KKV-FINMA*) of 27 August 2014. The place of jurisdiction is the registered office of the Fund Management Company.
2. The German version is binding for the interpretation of this fund contract.
3. This fund contract shall take effect on 22 November 2023. It comprises the General and Special Sections.
4. This fund contract replaces the fund contract dated 20 November 2023.
5. When approving the fund contract or any amendment to the fund contract, FINMA exclusively examines the provisions pursuant to Art. 35a (1) a-g CISO and establishes whether they comply with the law.

The Fund Management Company

*BlackRock Asset Management Schweiz AG*

The Custodian Bank

*State Street Bank International GmbH, Munich, Zurich Branch*

## Special Section A – iShares World ex Switzerland Equity Index Fund (CH)

**This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.**

### § 29A Sub-fund

Being part of the umbrella fund BlackRock Investment Funds Switzerland, a sub-fund under the name iShares World ex Switzerland Equity Index Fund (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom.

Units of the sub-fund providing for tax transparency are not freely transferable as this may result in the sub-fund incurring a tax liability or suffering pecuniary disadvantage.

### § 30A Investment Objective and Investment Policy (§ 8 Fund Contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the “Reference Index”). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments. The assets of the iShares World ex Switzerland Equity Index Fund (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

- aa) Equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are represented in the reference index, as follows:
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Depositary Receipts (DR) and Depositary Shares (DS);
  - iii. Rights to shares, pre-emptive rights and preferential rights.
- ab) Temporarily, equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index’ admission criteria, in particular market capitalisation and liquidity.
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Depositary Receipts (DR) and Depositary Shares (DS);
  - iii. Rights to shares, pre-emptive rights and preferential rights.
- ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

- ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in investments pursuant to lit. (aa) and lit. (ab) as follows:
  - i. Swiss collective investment schemes of the category “Securities Funds”;
  - ii. Swiss collective investment schemes of the category “Other Funds for Traditional Investments”;
  - iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.
- bb) Collective investment schemes pursuant to § 8 cipher 2 (f), including Real Estate Investment Trusts (REITS), up to 10%;
- bc) Collective investment schemes pursuant to § 8 cipher 2 (d), as described above, which invest their assets in money market instruments of domestic and foreign issuers pursuant to § 8 cipher 2 (g);  
For the collective investment schemes referred to under lit. ba) and lit. bb) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.
- bd) Derivatives pursuant to § 8 cipher 2 (b), as follows:
  - i. For currency hedging purposes the assets of the sub-fund may be invested in FX forwards on currencies within the reference index and the reference currencies of the sub-fund and/or its unit classes. Where they are used, FX forwards will be used strictly for hedging and not for the purpose of creating additional net exposure.
  - ii. For efficient portfolio management purposes the assets of the sub-fund may be invested in the following types of futures: futures on the reference index, the sub-indices thereof or indices underlying substantially the same investment markets as the reference index or components thereof; and futures on securities forming part of the reference index.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

#### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

<b>Investments/Exposure</b>	<b>Percentage Share of Assets of the Sub-Fund</b>
Equity-type securities and rights	at least 70% (maximum 50% indirect)
Money market instruments	maximum 20% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 40%
Derivatives	maximum 30%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under let. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da) and (e) are not permitted.

### **§ 31A Investment Restrictions and Investment Techniques**

§ 15 cipher 3 applies with the following deviation:

Including derivatives, the Fund Management Company may invest up to 20% of the assets of the sub-fund in securities and money market instruments of the same issuer.

This limit may be raised to 35% for a single issuer that strongly dominates on a regulated market.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

### **§ 32A Accounting Currency (§ 21 Fund Contract)**

The accounting currency of the sub-fund iShares World ex Switzerland Equity Index Fund (CH) is Swiss Francs.



## Special Section B – iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH)

**This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.**

### § 29B Sub-funds

Being part of the umbrella fund BlackRock Investment Funds Switzerland, a sub-fund under the name iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom.

### § 30B Investment Objective and Investment Policy (§ 8 Fund Contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the “Reference Index”). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out below; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The Reference Index takes into account environmental, social and governance (ESG) and related sustainability factors, implementing an ESG Exclusion approach. As further specified under cipher 1.9 of the prospectus, the Reference Index is based on its parent index and includes small cap securities across Developed Markets countries (excluding Switzerland), while aiming to eliminate or minimize exposure to companies involved in controversial weapons, nuclear weapons, civilian firearms, tobacco, fossil fuel extraction and thermal coal-based power generation. Furthermore, the Reference Index also excludes companies that are not in compliance with the United Nations Global Compact principles and companies with severe ESG controversies. The Reference Index also excludes from the parent index all securities listed on the exclusion list of the Swiss Association for Responsible Investments (“SVVK – ASIR”). The index methodology and sustainability approach are further described in the prospectus. Cipher 6 of the prospectus contains specific risks factors relating to ESG applicable to this sub-fund.

The assets of the iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### **a) Direct Investments**

aa) Equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are represented in the reference index, as follows:

- i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
- ii. Depositary Receipts (DR) and Depositary Shares (DS);
- iii. Rights to shares, pre-emptive rights and preferential rights.

ab) Temporarily, equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index’ admission criteria, in particular market capitalisation and liquidity.

- i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
- ii. Depositary Receipts (DR) and Depositary Shares (DS);
- iii. Rights to shares, pre-emptive rights and preferential rights.

ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### **b) Indirect Investments**

ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in investments pursuant to lit. (aa) and lit. (ab) as follows:

- i. Swiss collective investment schemes of the category “Securities Funds”;
- ii. Swiss collective investment schemes of the category “Other Funds for Traditional Investments”;
- iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.

bb) Collective investment schemes pursuant to § 8 cipher 2 (f), including Real Estate Investment Trusts (REITs), up to 10%;

bc) Collective investment schemes pursuant to § 8 cipher 2 (d), as described above, which invest their assets in money market instruments of domestic and foreign issuers pursuant to § 8 cipher 2 (g);

For the collective investment schemes referred to under lit. ba) and lit. bb) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.

bd) Derivatives pursuant to § 8 cipher 2 (b), as follows:

- i. For currency hedging purposes the assets of the sub-fund may be invested in FX forwards on currencies within the reference index and the reference currencies of the sub-fund and/or its unit classes. Where they are used, FX forwards will be used strictly for hedging and not for the purpose of creating additional net exposure.
- ii. For efficient portfolio management purposes the assets of the sub-fund may be invested in the following types of futures: futures on the reference index, the sub-indices thereof or indices underlying substantially the same investment markets as the reference index or components thereof; and futures on securities forming part of the

reference index.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

Investments/Exposure	Percentage Share of Assets of the Sub-Fund
Equity-type securities and rights	at least 70% (maximum 50% indirect)
Money market instruments	maximum 20% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 40%
Derivatives	maximum 30%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under let. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da) and (e) are not permitted.

### § 31B Investment Restrictions and Investment Techniques

§ 15 cipher 3 applies with the following deviation:

Including derivatives, the Fund Management Company may invest up to 20% of the assets of the sub-fund in securities and money market instruments of the same issuer.

This limit may be raised to 35% for a single issuer that strongly dominates on a regulated market.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

### § 32B Accounting Currency (§ 21 Fund Contract)

The accounting currency of the sub-fund iShares World ex Switzerland Small Cap ESG Screened Equity Index Fund (CH) is Swiss Francs.

## Special Section C – iShares Emerging Markets Equity Index Fund (CH)

**This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.**

### § 29C Sub-fund

Being part of the BlackRock Investment Funds Switzerland umbrella fund, a sub-fund under the name sub-fund iShares Emerging Markets Equity Index Fund (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom.

### § 30C Investment Objective and Investment Policy (§ 8 Fund contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the “Reference Index”). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index.

The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out below; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The assets of the iShares Emerging Markets Equity Index Fund (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

- aa) Equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are represented in the reference index, as follows:
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Depositary Receipts (DR) and Depositary Shares (DS);
  - iii. Rights to shares, pre-emptive rights and preferential rights.
- ab) Temporarily, equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index’ admission criteria, in particular market capitalisation and liquidity.
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Depositary Receipts (DR) and Depositary Shares (DS);
  - iii. Rights to shares, pre-emptive rights and preferential rights.
- ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

- ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in investments pursuant to lit. (aa) and lit. (ab) as follows:
  - i. Swiss collective investment schemes of the category “Securities Funds”;
  - ii. Swiss collective investment schemes of the category “Other Funds for Traditional Investments”;
  - iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.
- bb) Collective investment schemes pursuant to § 8 cipher 2 (da) up to 10%;
- bc) Collective investment schemes pursuant to § 8 cipher 2 (f), including Real Estate Investment Trusts (REITS), up to 10%.
- bd) Collective investment schemes pursuant to § 8 cipher 2 (d), as described above, which invest their assets in money market instruments of domestic and foreign issuers pursuant to § 8 cipher 2 (g);  
For the collective investment schemes referred to under lit. ba), bb) and lit. bc) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.
- be) Derivatives pursuant to § 8 cipher 2 (b), as follows:
  - i. For currency hedging purposes the assets of the sub-fund may be invested in FX forwards on currencies within the reference index and the reference currencies of the sub-fund and/or its unit classes. Where they are used, FX forwards will be used strictly for hedging and not for the purpose of creating additional net exposure.
  - ii. For efficient portfolio management purposes the assets of the sub-fund may be invested in the following types of futures: futures on the reference index, the sub-indices thereof or indices underlying substantially the same investment markets as the reference index or components thereof; and futures on securities forming part of the reference index.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

#### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

Investments/Exposure	Percentage Share of Assets of the Sub-Fund
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Equity-type securities and rights	at least 70 (maximum 50% indirect)
Money market instruments	maximum 20% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 40%
Derivatives	maximum 30%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under let. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company may invest up to 20% of the assets of the sub-fund in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (e) are not permitted.

### § 31C Investment Restrictions and Investment Techniques

§ 15 cipher 3 applies with the following deviation:

Including derivatives, the Fund Management Company may invest up to 20% of the assets of the sub-fund in securities and money market instruments of the same issuer.

This limit may be raised to 35% for a single issuer that strongly dominates on a regulated market.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

### § 32C Accounting Currency (§ 21 Fund Contract)

The accounting currency of the sub-fund iShares Emerging Markets Equity Index Fund (CH) is Swiss Francs.

## Special Section D – BlackRock US Dollar Liquidity Fund (CH)

**This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.**

### § 29D Sub-fund

Being part of the BlackRock Investment Funds Switzerland umbrella fund, a sub-fund under the name sub-fund BlackRock US Dollar Liquidity Fund (CH) has been created.

The asset manager is BlackRock Capital Management Inc, 300 Bellevue Parkway, Delaware, United States of America, which has sub-delegated the asset management to BlackRock Advisors (UK) Limited, London, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom.

### § 30D Investment Objective and Investment Policy (§ 8 Fund contract)

The sub-fund BlackRock US Dollar Liquidity Fund (CH) is a "short-term money market fund" as defined by the AMAS guideline for money market funds of 6 June 2012 (as amended from time to time) whose primary investment objective is to provide a return in line with money market rates. In pursuit of its investment objective, the sub-fund may invest in a broad range of high quality transferable securities which will generally be traded or listed on stock exchanges or regulated markets such as securities, financial instruments and obligations that may be available in the relevant markets (both within and outside the US) for financial instruments denominated in US Dollars including securities, financial instruments and obligations issued or guaranteed by the US Government or other sovereign governments or their agencies and securities financial, instruments and obligations issued or guaranteed by supranational or public international bodies, banks, corporate or other commercial issuers. These types of securities, financial instruments and obligations shall include those set out below and may be issued by both US and non-US issuers, but shall be denominated in US Dollars. The list is not exhaustive and such other securities, financial instruments and obligations (which will generally be traded or listed on stock exchanges or regulated markets) as may from time to time be consistent with the sub-fund's investment objectives and policies may be used.

In addition to the investment objective set out above, the assets of the sub-fund will be invested applying BlackRock's EMEA Baseline Screens Policy. Further information on BlackRock EMEA Baseline Screens Policy are provided under cipher 1.6 of the prospectus.

The assets of the BlackRock US Dollar Liquidity Fund (CH) will be invested for this purpose as follows:

#### a) Direct Investments

- aa) High quality money market instruments pursuant to §8 cipher 2 (g) denominated in US Dollars and issued by a government, corporation or other commercial issuers;
- ab) Fixed income securities and rights pursuant to § 8 cipher 2 (a) as follows:  
Bonds, notes, and other fixed rate debt instruments and rights (including treasury bills and gilts) denominated in US Dollar issued or guaranteed by national and local governments, supranational entities and public international bodies or private debtors with remaining maturities of 397 days or less.
- ac) Certificates of Deposits, Commercial papers and Floating rates notes.
- ad) Sight and term deposits pursuant to § 8 cipher 2 (h) denominated in US Dollar

#### b) Indirect Investments

- ba) Collective investment schemes pursuant to § 8 cipher 2 (d), as described above, which invest their assets in money market instruments of domestic and foreign issuers and fulfil the criteria set out in (a) and qualify as short-term money market funds as follows:
  - i. Swiss collective investment schemes of the category "Securities Funds";
  - ii. Swiss collective investment schemes of the category "Other Funds for Traditional Investments";
  - iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.
 For the collective investment schemes referred to under lit. ba) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.

The residual maturity of each financial instrument may not exceed 397 days.

The portfolio's weighted average maturity (WAM) may not exceed 60 days.

The portfolio's weighted average life (WAL) may not exceed 120 days.

At least 7.5 % of the sub-fund's assets will be daily maturing and at least 15% of the sub-fund's assets will be weekly maturing, provided that a limited percentage of up to 7.5% of the sub-fund's assets in money market instruments or shares of eligible money market funds may be counted towards the weekly liquidity requirements provided they can be settled within five working days.

Further, the assets of the BlackRock US Dollar Liquidity Fund (CH) will be invested in financial instruments rated as follows:

Each of the recognised credit rating agencies to have awarded the financial instrument a short-term rating must have awarded it one of its two highest short-term ratings (A-1/A-2 S&P, P-1/P-2 Moody's, F1/F2 Fitch as amended from time to time); in the absence of a short-term rating, each of the agencies to have awarded a long-term rating must have awarded a long-term rating equivalent to one of its two highest short-term ratings. If one of the agencies has awarded a lower rating, the lower will apply; If none of the recognised credit rating agencies has awarded a rating, the Fund Management Company may decide to acquire the financial instrument it meets equivalent criteria in terms of quality.

#### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

Investments/Exposure	Percentage Share of Assets of the Sub-Fund
Fixed income securities and rights	Maximum 100% (direct)
Money market instruments	maximum 100% direct / maximum 40% indirect
Sight and term deposits	maximum 100% (direct)
Collective investment schemes	maximum 40%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under let. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da), (e) and (f) are not permitted.

### § 31D Investment Restrictions, Investment Techniques and Valuation

§ 15 cipher 3 applies with the following deviation:

The Fund Management Company may invest up to 15% of the assets of the sub-fund in securities and money market instruments of the same issuer.

This limit may be raised to 100% for securities and money market instruments issued or guaranteed by an OECD country, a public law entity from the OECD, or by public international bodies of which Switzerland or a member state of the European Union are members, provided that the sub-fund invests in accordance with § 15 cipher 13.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company may enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11 and provided that securities received under reverse repo transactions are high quality money market instruments.

For this sub-fund, money market instruments are valued in accordance with §16 cipher 2 if they are traded on an exchange or any other regulated market. Where such valuation is not possible or the market data is not of sufficient quality, the investment shall be valued conservatively using mark-to-model methods. Mark-to-model methods are methods which produce asset values that are benchmarked, extrapolated or otherwise calculated from one or more market inputs.

### § 32D First Financial Year and Accounting Currency (§ 21 Fund Contract)

The first financial year of this sub-fund runs from the launch of the sub-fund to 31 July 2022.

The accounting currency of the sub-fund is US Dollar.

## Special Section E – iShares SPI® Equity Index Fund (CH)

**This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.**

### § 29E Sub-fund

Being part of the umbrella fund BlackRock Investment Funds Switzerland, a sub-fund under the name iShares SPI® Equity Index Fund (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom which has sub-delegated the asset management to BlackRock Asset Management Deutschland AG.

### § 30E Investment Objective and Investment Policy (§ 8 Fund Contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index.

The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out below; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The assets of the iShares SPI® Equity Index Fund (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

aa) Equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are represented in the reference index, as follows:

- i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
- ii. Rights to shares, pre-emptive rights and preferential rights.

ab) Temporarily, equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index' admission criteria:

- i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
- ii. Rights to shares, pre-emptive rights and preferential rights.

ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in investments pursuant to lit. (aa) and lit. (ab) as follows:

- i. Swiss collective investment schemes of the category "Securities Funds";
- ii. Swiss collective investment schemes of the category "Other Funds for Traditional Investments";
- iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.

bb) Collective investment schemes pursuant to § 8 cipher 2 (d) which invest their assets in money market instruments (denominated in CHF) of domestic and foreign issuers pursuant to § 8 cipher 2 (g). For the collective investment schemes referred to under lit. ba) and lit. bb) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.

bc) Derivatives pursuant to § 8 cipher 2 (b), as follows:

For efficient portfolio management purposes the assets of the sub-fund may be invested in the following types of futures: futures on the reference index, futures on shares contained in the reference index and futures on sub-indices thereof or indices underlying substantially the same investment markets as the reference index or components thereof.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

#### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

Investments/Exposure	Percentage Share of Assets of the Sub-Fund
Equity-type securities and rights	at least 70% (maximum 20% indirect)
Money market instruments	maximum 10% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 10%
Derivatives	maximum 10%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under let. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da), (e) and (f) are not permitted.

### **§ 31E Investment Restrictions and Investment Techniques**

§ 15 cipher 3 does not apply.

The sub-fund must be invested in at least 12 securities of the reference index. In addition the weighting of assets pursuant to § 15 cipher 1 for each issuer/borrower in this sub-fund shall match the weighting in the reference index as closely as possible.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

### **§ 32E Accounting Currency (§ 21 Fund Contract)**

The accounting currency of the sub-fund iShares SPI® Equity Index Fund (CH) is Swiss Francs.



## Special Section F – iShares SMI® Equity Index Fund (CH)

This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.

### § 29F Sub-fund

Being part of the umbrella fund BlackRock Investment Funds Switzerland, a sub-fund under the name iShares SMI® Equity Index Fund (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom which has sub-delegated the asset management to BlackRock Asset Management Deutschland AG.

### § 30F Investment Objective and Investment Policy (§ 8 Fund Contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Index. The sub-fund intends to replicate the constituents of the Reference Index by holding all the securities comprising the Reference Index in a similar proportion to their weightings in the Reference Index. The assets of the iShares SMI® Equity Index Fund (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

- aa) Equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are represented in the reference index, as follows:
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Rights to shares, pre-emptive rights and preferential rights.
- ab) Temporarily, equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index' admission criteria:
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Rights to shares, pre-emptive rights and preferential rights.
- ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

- ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in investments pursuant to lit. (aa) and lit. (ab) as follows:
  - i. Swiss collective investment schemes of the category "Securities Funds";
  - ii. Swiss collective investment schemes of the category "Other Funds for Traditional Investments";
  - iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.
- bb) Collective investment schemes pursuant to § 8 cipher 2 (d) which invest their assets in money market instruments (denominated in CHF) of domestic and foreign issuers pursuant to § 8 cipher 2 (g).  
For the collective investment schemes referred to under lit. ba) and lit. bb) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.
- bc) Derivatives pursuant to § 8 cipher 2 (b), as follows:  
For efficient portfolio management purposes the assets of the sub-fund may be invested in the following types of futures: futures on the reference index and futures on shares contained in the reference index, futures on the sub-indices thereof or indices underlying substantially the same investment markets as the reference index or components thereof.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

#### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

Investments/Exposure	Percentage Share of Assets of the Sub-Fund
Equity-type securities and rights	at least 70% (maximum 20% indirect)
Money market instruments	maximum 10% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 10%
Derivatives	maximum 10%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under lit. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da), (e) and (f) are not permitted.

### **§ 31F Investment Restrictions and Investment Techniques**

§ 15 cipher 3 does not apply.

The sub-fund must be invested in at least 12 securities of the reference index. In addition the weighting of assets pursuant to § 15 cipher 1 for each issuer/borrower in this sub-fund shall match the weighting in the reference index as closely as possible.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

### **§ 32F Accounting Currency (§ 21 Fund Contract)**

The accounting currency of the sub-fund iShares SMI® Equity Index Fund (CH) is Swiss Francs.

## Special Section G – iShares SBI® ESG AAA-BBB Bond Index Fund (CH)

This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.

### § 29G Sub-fund

Being part of the umbrella fund BlackRock Investment Funds Switzerland, a sub-fund under the name iShares SBI® ESG AAA-BBB Bond Index Fund (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom.

### § 30G Investment Objective and Investment Policy (§ 8 Fund Contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index.

The Reference Index, in addition to risk and return considerations, takes into account environmental, social and governance (ESG) and related sustainability factors, implementing an ESG exclusion approach as well as an ESG integration approach. As further specified under cipher 1.9 of the prospectus, the Reference Index excludes securities or issuers from the parent index based on the index provider's ESG exclusionary criteria regarding companies that derive significant revenues from critical sectors as defined by the index provider and only includes companies that have a certain ESG impact rating. It further excludes all securities listed for exclusion by the Swiss Association for Responsible Investments ("SVVK – ASIR"). The index methodology and sustainability approach are further described in the prospectus. Cipher 6 of the prospectus contains specific risks factors relating to ESG applicable to this sub-fund.

The assets of the iShares SBI® ESG AAA-BBB Bond Index Fund (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

aa) Fixed or variable income securities and rights pursuant to § 8 cipher 2 (a) as follows:

- i. Swiss Franc-denominated bonds, notes, and other fixed or variable rate debt instruments and rights issued or guaranteed by Swiss or foreign issuers, which are contained in the reference index.
- ii. Swiss franc denominated mortgage bonds, which are contained in the reference index.
- iii. Temporarily, Swiss Franc-denominated bonds, notes, and other fixed or variable rate debt instruments and rights pursuant to § 8 cipher 2 (a) of issuers which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index' admission criteria;
- iv. Securities as per lit. aa) i. and ii. which were formerly included in the reference index but were excluded from it solely because of the reference index criterion stipulating a residual maturity of more than one year;
- v. Up to 20% of the sub-fund's assets in Swiss-franc denominated bonds and other fixed or variable rate debt instruments and rights which are not contained in the reference index; however their risk properties must be comparable with those of the reference index securities and the use of such securities must not, therefore, result in any deviation from the investment objectives set out in this fund contract.

All fixed and variable income securities in which the sub-fund invests must have an SBI® composite credit rating of at least BBB or be deemed by the Fund Management Company to have an equivalent borrower rating. If an investment loses this minimum rating/borrower rating, it must be sold within a reasonable time period while safeguarding the interests of the investors.

ab) Money market instruments (denominated in CHF) of domestic and foreign issuers pursuant to § 8 cipher 2 (g).

ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in money market instruments (denominated in CHF) of domestic and foreign issuers pursuant to § 8 cipher 2 (g) as follows:

- i. Swiss collective investment schemes of the category "Securities Funds";
- ii. Swiss collective investment schemes of the category "Other Funds for Traditional Investments";
- iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.

For the collective investment schemes referred to under lit. ba) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.

bb) Derivatives pursuant to § 8 cipher 2 (b), as follows:

For efficient portfolio management purposes the assets of the sub-fund may be invested in futures on Swiss Franc-denominated bonds issued by the Swiss confederation or in interest rate swaps.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

#### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

Investments/Exposure	Percentage Share of Assets of the Sub-Fund
Fixed or variable income securities and rights	at least 70 (maximum 30% indirect)
Money market instruments	maximum 20% direct / maximum 10% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 10%
Derivatives	maximum 30%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under let. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da), (e) and (f) are not permitted.

### § 31G Investment Restrictions and Investment Techniques

§ 15 cipher 3 applies with the following deviation:

Including derivatives, the Fund Management Company may invest up to 20% of the assets of the sub-fund in securities and money market instruments of the same issuer.

This limit may be raised to 100% for a securities and money market instruments issued or guaranteed by an OECD country, a public law entity from the OECD, or by public international bodies of which Switzerland or a member state of the European Union are members.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

### § 32G Accounting Currency (§ 21 Fund Contract)

The accounting currency of the sub-fund iShares SBI® ESG AAA-BBB Bond Index Fund (CH) is Swiss Francs.

## Special Section H – iShares Emerging Markets Bond Index Fund (CH)

This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.

### § 29H Sub-fund

Being part of the umbrella fund BlackRock Investment Funds Switzerland, a sub-fund under the name iShares Emerging Markets Bond Index Fund (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom.

### § 30H Investment Objective and Investment Policy (§ 8 Fund Contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The assets of the iShares Emerging Markets Bond Index Fund (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

aa) Fixed or variable income securities and rights pursuant to § 8 cipher 2 (a) as follows:

- i. US Dollar-denominated bonds (including convertible bonds, convertible notes and warrant bonds), notes, and other fixed or variable rate debt instruments and rights issued or guaranteed by emerging markets sovereign and quasi-sovereign entities.
  - ii. US Dollar-denominated bonds, notes, and other fixed or variable rate debt instruments and rights issued or guaranteed by the government of the United States of America. These instruments would not represent more than 10% of the assets of the sub-fund;
  - iii. Up to 20% of the sub-fund's assets in bonds and other fixed or variable rate debt instruments and rights which are not contained in the reference index; however their risk properties must be comparable with those of the reference index securities and the use of such securities must not, therefore, result in any deviation from the investment objectives set out in the fund documents.
- ab) Money market instruments (denominated in USD) of domestic and foreign issuers pursuant to § 8 cipher 2 (g).  
ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

ba) Collective investment schemes pursuant to § 8 cipher 2 (d) which invest their assets in money market instruments (denominated in USD) of domestic and foreign issuers pursuant to § 8 cipher 2 (g) as follows:

- i. Swiss collective investment schemes of the category "Securities Funds";
  - ii. Swiss collective investment schemes of the category "Other Funds for Traditional Investments";
  - iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.
- For the collective investment schemes referred to under lit. ba) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.
- bb) Derivatives pursuant to § 8 cipher 2 (b), as follows:
- i. For currency hedging purposes the assets of the sub-fund may be invested in FX forwards on currencies within the reference index and the reference currencies of the sub-fund and/or its unit classes. Where they are used, FX forwards will be used strictly for hedging.
  - ii. For efficient portfolio management purposes the assets of the sub-fund may be invested in futures on government bonds or in interest rate swaps which allow the sub-fund to achieve its objective of matching the performance of the reference index.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

#### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

Investments/Exposure	Percentage Share of Assets of the Sub-Fund
Fixed or variable income securities and rights	at least 70% (maximum 30% indirect)
Money market instruments	maximum 10% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 10%
Derivatives	maximum 30%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under lit. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 ciper 2 (da), (e) and (f) are not permitted.

### **§ 31H Investment Restrictions and Investment Techniques**

No pooling pursuant to § 3 ciper 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

### **§ 32H Accounting Currency (§ 21 Fund Contract)**

The accounting currency of the sub-fund iShares Emerging Markets Bond Index Fund (CH) is US Dollars.

## Special Section I – iShares Japan Equity Index Fund (CH)

This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.

### § 29I Sub-fund

Being part of the umbrella fund BlackRock Investment Funds Switzerland, a sub-fund under the name iShares Japan Equity Index Fund (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom.

Units of the sub-fund providing for tax transparency are not freely transferable as this may result in the sub-fund incurring a tax liability or suffering pecuniary disadvantage.

### § 30I Investment Objective and Investment Policy (§ 8 Fund Contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out below; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The assets of the iShares Japan Equity Index Fund (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

aa) Equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are represented in the reference index, as follows:

- i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
- ii. Depositary Receipts (DR) and Depositary Shares (DS);
- iii. Rights to shares, pre-emptive rights and preferential rights.

ab) Temporarily, equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index' admission criteria, in particular market capitalisation and liquidity.

- i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
- ii. Depositary Receipts (DR) and Depositary Shares (DS);
- iii. Rights to shares, pre-emptive rights and preferential rights.

ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in investments pursuant to lit. (aa) and lit. (ab) as follows:

- i. Swiss collective investment schemes of the category "Securities Funds";
- ii. Swiss collective investment schemes of the category "Other Funds for Traditional Investments";
- iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.

bb) Collective investment schemes pursuant to § 8 cipher 2 (f), including Real Estate Investment Trusts (REITS), up to 10%.

bc) Collective investment schemes pursuant to § 8 cipher 2 (d), as described above, which invest their assets in money market instruments of domestic and foreign issuers pursuant to § 8 cipher 2 (g);  
For the collective investment schemes referred to under lit. ba) and lit. bb) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.

bd) Derivatives pursuant to § 8 cipher 2 (b), as follows:

- i. For currency hedging purposes the assets of the sub-fund may be invested in FX forwards on currencies within the reference index and the reference currencies of the sub-fund and/or its unit classes. Where they are used, FX forwards will be used strictly for hedging and not for the purpose of creating additional net exposure.
- ii. For efficient portfolio management purposes the assets of the sub-fund may be invested in the following types of futures: futures on the reference index, the sub-indices thereof or indices underlying substantially the same investment markets as the reference index or components thereof; and futures on securities forming part of the reference index.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

#### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

Investments/Exposure	Percentage Share of Assets of the Sub-Fund
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Equity type securities and rights	at least 70% (maximum 40% indirect)
Money market instruments	maximum 10% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 10%
Derivatives	maximum 30%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under let. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da) and (e) are not permitted.

### **§ 31I Investment Restrictions and Investment Techniques**

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

### **§ 32I Accounting Currency (§ 21 Fund Contract)**

The accounting currency of the sub-fund iShares Japan Equity Index Fund (CH) is Swiss Francs.



## Special Section J – iShares World ex Switzerland ESG Screened Equity Index Fund (CH)

**This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.**

### § 29J Sub-fund

Being part of the BlackRock Investment Funds Switzerland umbrella fund, a sub-fund under the name sub-fund iShares World ex Switzerland ESG Screened Equity Index Fund (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom.

Units of the sub-fund providing for tax transparency are not freely transferable as this may result in the sub-fund incurring a tax liability or suffering pecuniary disadvantage.

### § 30J Investment Objective and Investment Policy (§ 8 Fund contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out below; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The Reference Index takes into account environmental, social and governance (ESG) and related sustainability factors, implementing an ESG exclusion approach. As further specified under cipher 1.9 of the prospectus, the Reference Index is based on its parent index and includes large and mid-cap securities across Developed Markets countries (excluding Switzerland), while aiming to eliminate or minimize exposure to companies involved in controversial weapons, nuclear weapons, civilian firearms, tobacco, fossil fuel extraction and thermal coal-based power generation. Furthermore, the Reference Index also excludes companies that are not in compliance with the United Nations Global Compact principles and companies with severe ESG controversies. The Reference Index also excludes from the parent index all securities listed on the exclusion list of the Swiss Association for Responsible Investments ("SVVK – ASIR"). The index methodology and sustainability approach are further described in the prospectus. Cipher 6 of the prospectus contains specific risks factors relating to ESG applicable to this sub-fund.

The assets of the iShares World ex Switzerland ESG Screened Equity Index Fund (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

- aa) Equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are represented in the reference index, as follows:
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Depositary Receipts (DR) and Depositary Shares (DS);
  - iii. Rights to shares, pre-emptive rights and preferential rights.
- ab) Temporarily, equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index' admission criteria, in particular market capitalisation and liquidity.
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Depositary Receipts (DR) and Depositary Shares (DS);
  - iii. Rights to shares, pre-emptive rights and preferential rights.
- ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

- ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in investments pursuant to lit. (aa) and lit. (ab) as follows:
  - i. Swiss collective investment schemes of the category "Securities Funds";
  - ii. Swiss collective investment schemes of the category "Other Funds for Traditional Investments";
  - iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.
- bb) Collective investment schemes pursuant to § 8 cipher 2 (f), including Real Estate Investment Trusts (REITS), up to 10%.
- bc) Collective investment schemes pursuant to § 8 cipher 2 (d), as described above, which invest their assets in money market instruments of domestic and foreign issuers pursuant to § 8 cipher 2 (g);
 

For the collective investment schemes referred to under lit. ba) and lit. bb) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.
- bd) Derivatives pursuant to § 8 cipher 2 (b), as follows:

- i. For currency hedging purposes the assets of the sub-fund may be invested in FX forwards on currencies within the reference index and the reference currencies of the sub-fund and/or its unit classes. Where they are used, FX forwards will be used strictly for hedging and not for the purpose of creating additional net exposure.
- ii. For efficient portfolio management purposes the assets of the sub-fund may be invested in the following types of futures: futures on the reference index, the sub-indices thereof or indices underlying substantially the same investment markets as the reference index or components thereof; and futures on securities forming part of the reference index. All such exposure to futures will be covered with cash or cash-equivalent holdings.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. There will be no leverage, as all derivative positions will be fully covered with securities or cash. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

**c) Investment Restrictions**

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

Investments/Exposure	Percentage Share of Assets of the Sub-Fund
Equity-type securities and rights	at least 70% (maximum 50% indirect)
Money market instruments	maximum 20% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 40%
Derivatives	maximum 30%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under let. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da) and (e) are not permitted.

**§ 31J Investment Restrictions and Investment Techniques**

§ 15 cipher 3 applies with the following deviation:

Including derivatives, the Fund Management Company may invest up to 20% of the assets of the sub-fund in securities and money market instruments of the same issuer.

This limit may be raised to 35% for a single issuer that strongly dominates on a regulated market.

§ 15 cipher 10 applies with the following deviation: The Fund Management Company may acquire up to a maximum of 25% of units of other collective investment schemes.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

**§ 32J Accounting Currency (§ 21 Fund Contract)**

The accounting currency of the sub-fund iShares World ex Switzerland ESG Screened Equity Index Fund (CH) is Swiss Francs.

## Special Section K – iShares World ex Switzerland Equity Index Fund II (CH)

**This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.**

### § 29K Sub-fund

Being part of the umbrella fund BlackRock Investment Funds Switzerland, a sub-fund under the name iShares World ex Switzerland Equity Index Fund II (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom.

### § 30K Investment Objective and Investment Policy (§ 8 Fund Contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index. The reasons for using optimizing techniques including a strategic selection of some (rather than all) securities includes but is not limited to: the investment restrictions set out in the fund contract; other legal and regulatory limitations; costs and expenses of the sub-fund incurred; and the illiquidity of certain investments.

The assets of the iShares World ex Switzerland Equity Index Fund II (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

- aa) Equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are represented in the reference index, as follows:
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Depositary Receipts (DR) and Depositary Shares (DS);
  - iii. Rights to shares, pre-emptive rights and preferential rights.
- ab) Temporarily, equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index' admission criteria, in particular market capitalisation and liquidity.
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Depositary Receipts (DR) and Depositary Shares (DS);
  - iii. Rights to shares, pre-emptive rights and preferential rights.
- ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

- ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in investments pursuant to lit. (aa) and lit. (ab) as follows:
  - i. Swiss collective investment schemes of the category "Securities Funds";
  - ii. Swiss collective investment schemes of the category "Other Funds for Traditional Investments";
  - iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.
- bb) Collective investment schemes pursuant to § 8 cipher 2 (f), including Real Estate Investment Trusts (REITS), up to 10%;
- bc) Collective investment schemes pursuant to § 8 cipher 2 (d), as described above, which invest their assets in money market instruments of domestic and foreign issuers pursuant to § 8 cipher 2 (g);  
For the collective investment schemes referred to under lit. ba) and lit. bb) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.
- bd) Derivatives pursuant to § 8 cipher 2 (b), as follows:
  - iii. For currency hedging purposes the assets of the sub-fund may be invested in FX forwards on currencies within the reference index and the reference currencies of the sub-fund and/or its unit classes. Where they are used, FX forwards will be used strictly for hedging and not for the purpose of creating additional net exposure.
  - iv. For efficient portfolio management purposes the assets of the sub-fund may be invested in the following types of futures: futures on the reference index, the sub-indices thereof or indices underlying substantially the same investment markets as the reference index or components thereof; and futures on securities forming part of the reference index.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. There will be no leverage, as all derivative positions will be fully covered with securities or cash. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

**c) Investment Restrictions**

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

<b>Investments/Exposure</b>	<b>Percentage Share of Assets of the Sub-Fund</b>
Equity-type securities and rights	at least 70% (maximum 50% indirect)
Money market instruments	maximum 20% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 40%
Derivatives	maximum 30%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under let. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da) and (e) are not permitted.

**§ 31K Investment Restrictions and Investment Techniques**

§ 15 cipher 3 applies with the following deviation:

Including derivatives, the Fund Management Company may invest up to 20% of the assets of the sub-fund in securities and money market instruments of the same issuer.

This limit may be raised to 35% for a single issuer that strongly dominates on a regulated market.

§ 15 cipher 10 applies with the following deviation:

The Fund Management Company may acquire up to a maximum of 30% of units of other collective investment schemes.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

**§ 32K Accounting Currency (§ 21 Fund Contract)**

The accounting currency of the sub-fund iShares World ex Switzerland Equity Index Fund II (CH) is US Dollars.

## Special Section L – BlackRock Systematic Australian Equity Fund

This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.

### § 29L Sub-fund

Being part of the umbrella fund BlackRock Investment Funds Switzerland, a sub-fund under the name BlackRock Systematic Australian Equity Fund has been created.

The asset manager is BlackRock Capital Management Inc, 300 Bellevue Parkway, Delaware, United States of America.

### § 30L Investment Objective and Investment Policy (§ 8 Fund Contract)

The investment objective of this sub-fund is to provide long-term returns in excess of the total rate of return of the S&P/ASX 300 @ Total Return Index (the "Reference Index"). In order to achieve this investment objective, the sub-fund is designed to be highly diversified, providing broad exposure to the Australian equity market. Investments are made in stocks that form the Reference Index but not necessarily in the same proportions as the Reference Index. The strategy of this sub-fund is designed to avoid uncompensated active risks. When compared with the Reference Index, the sub-fund may be moderately exposed to industries and sectors, as well as in style and size. The investment strategy aims to remain fully exposed to the Australian stock market, with cash exposure being maintained at a minimum, which may be, where practicable, equitised using index futures contracts. The sub-fund may hold a small allocation of cash (or cash equivalents that may include units in other BlackRock managed funds) for cash flow management purposes. The sub-fund excludes all securities listed on the exclusion list of the Swiss Association for Responsible Investments ("SVVK – ASIR") and applies a thermal coal mining screen to exclude securities or other instruments of companies that derive more than 25% of their annual revenue from thermal coal mining.

The assets of the BlackRock Systematic Australian Equity Fund (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

- aa) Equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are represented in the reference index, as follows:
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Depositary Receipts (DR) and Depositary Shares (DS);
  - iii. Rights to shares, pre-emptive rights and preferential rights.
- ab) Temporarily, equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index' admission criteria, in particular market capitalisation and liquidity.
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Depositary Receipts (DR) and Depositary Shares (DS);
  - iii. Rights to shares, pre-emptive rights and preferential rights.
- ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

- ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in investments pursuant to lit. (aa) and lit. (ab) as follows:
  - i. Swiss collective investment schemes of the category "Securities Funds";
  - ii. Swiss collective investment schemes of the category "Other Funds for Traditional Investments";
  - iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.
- bb) Collective investment schemes pursuant to § 8 cipher 2 (f), including Real Estate Investment Trusts (REITS), up to 15%;
- bc) Collective investment schemes pursuant to § 8 cipher 2 (d), as described above, which invest their assets in money market instruments of domestic and foreign issuers pursuant to § 8 cipher 2 (g);  
For the collective investment schemes referred to under lit. ba), bb) (excluding REITS) and bc) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.
- bd) Derivatives pursuant to § 8 cipher 2 (b), as follows:  
For efficient portfolio management purposes the assets of the sub-fund may be invested in the following types of futures: futures on the reference index, the sub-indices thereof or indices underlying substantially the same investment markets as the reference index or components thereof; and futures on securities forming part of the reference index.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. There will be no leverage, as all derivative positions will be fully covered with securities or cash. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

#### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

<b>Investments/Exposure</b>	<b>Percentage Share of Assets of the Sub-Fund</b>
Equity-type securities and rights	at least 70% (maximum 40% indirect)
Money market instruments	maximum 20% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 15%
Derivatives	maximum 30%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under let. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da) and (e) are not permitted.

### **§ 31L Investment Restrictions and Investment Techniques**

§ 15 cipher 3 applies with the following deviation:

Including derivatives, the Fund Management Company may invest up to 20% of the assets of the sub-fund in securities and money market instruments of the same issuer.

This limit may be raised to 35% for a single issuer that strongly dominates on a regulated market.

§ 15 cipher 10 applies with the following deviation:

The Fund Management Company may acquire for the assets of the sub-fund up to a maximum of 30% of units of other collective investment schemes.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

### **§ 32L Accounting Currency (§ 21 Fund Contract)**

The accounting currency of the sub-fund BlackRock Systematic Australian Equity Fund is Australian Dollar.

## Special Section M – iShares SPI® Equity Index Fund NoL (CH)

This Special Section forms an integral part of the fund contract. In the event of inconsistencies between this Special Section and the provisions of the General Part of the fund contract, the provisions of the Special Section prevail.

### § 29M Sub-fund

Being part of the umbrella fund BlackRock Investment Funds Switzerland, a sub-fund under the name iShares SPI® Equity Index Fund NoL (CH) has been created.

The asset manager is BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom which has sub-delegated the asset management to BlackRock Asset Management Deutschland AG.

### § 30M Investment Objective and Investment Policy (§ 8 Fund Contract)

The investment objective of this sub-fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the reference index indicated in the prospectus (the "Reference Index"). In order to achieve this investment objective, the investment policy of the sub-fund is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Reference Index. The sub-fund intends to use optimisation techniques in order to achieve a similar return to the Reference Index and it is therefore not expected that the sub-fund will hold each and every underlying constituent of the Reference Index at all times or hold them in the same proportion as their weightings in the Reference Index. The sub-fund may hold some securities which are not underlying constituents of the Reference Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Reference Index. However, from time to time the sub-fund may hold all constituents of the Reference Index.

The assets of the iShares iShares SPI® Equity Index Fund NoL (CH) (after deduction of liquid assets pursuant to § 9) will be invested for this purpose as follows:

#### a) Direct Investments

- aa) Equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are represented in the reference index, as follows:
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Rights to shares, pre-emptive rights and preferential rights.
- ab) Temporarily, equity-type securities and rights pursuant to § 8 cipher 2 (a) of companies which are not yet included in the reference index, but for which it is nevertheless highly likely that they will be included in the index based on the reference index' admission criteria:
  - i. Shares, dividend right certificates, cooperative shares, participation certificates and similar;
  - ii. Rights to shares, pre-emptive rights and preferential rights.
- ac) Sight and term deposits pursuant to § 8 cipher 2 (h).

#### b) Indirect Investments

- ba) Collective investment schemes pursuant to § 8 cipher 2 (d), which invest their assets in investments pursuant to lit. (aa) and lit. (ab) as follows:
  - i. Swiss collective investment schemes of the category "Securities Funds";
  - ii. Swiss collective investment schemes of the category "Other Funds for Traditional Investments";
  - iii. Foreign collective investment schemes, which are subject to equivalent provisions as securities funds and/or other funds for traditional investments.
- bb) Collective investment schemes pursuant to § 8 cipher 2 (d) which invest their assets in money market instruments (denominated in CHF) of domestic and foreign issuers pursuant to § 8 cipher 2 (g).  
For the collective investment schemes referred to under lit. ba) and bb) mainly entities of the BlackRock Group are appointed directly or indirectly as asset manager, investment adviser or sponsor.
- bc) Derivatives pursuant to § 8 cipher 2 (b), as follows:  
For efficient portfolio management purposes the assets of the sub-fund may be invested in the following types of futures: futures on the reference index, futures on shares contained in the reference index and futures on sub-indices thereof or indices underlying substantially the same investment markets as the reference index or components thereof.

All derivative usage will be in accordance with the Commitment Approach I under Swiss law as set out in § 12 of the fund contract. There will be no leverage, as all derivative positions will be fully covered with securities or cash. The exposure numbers in the table below have been calculated in accordance with Commitment Approach I, whereby derivatives exposure is netted against corresponding underlying securities or covered by highly liquid assets, such that there is no incremental net exposure above 100%.

#### c) Investment Restrictions

The following restrictions apply for investment of the assets of the sub-fund in the above listed investments:

Investments/Exposure	Percentage Share of Assets of the Sub-Fund
Equity-type securities and rights	at least 70% (maximum 20% indirect)
Money market instruments	maximum 10% indirect
Sight and term deposits	maximum 20% direct
Collective investment schemes	maximum 10%
Derivatives	maximum 10%

Up to a total of 10% of the assets of the sub-fund may be invested by the Fund Management Company in other investments than those listed above under lit. a) and b) pursuant to § 8 cipher 2.

The Fund Management Company does not invest in units of other collective investment schemes (Target Funds) whose documents permit investing more than 49% in other Target Funds.

Investments in collective investment schemes pursuant to § 8 cipher 2 (da), (e) and (f) are not permitted.

### **§ 31M Investment Restrictions and Investment Techniques**

§ 15 cipher 3 does not apply.

The sub-fund must be invested in at least 12 securities of the reference index. In addition the weighting of assets pursuant to § 15 cipher 1 for each issuer/borrower in this sub-fund shall match the weighting in the reference index as closely as possible.

§ 15 cipher 10 applies with the following deviation:

The Fund Management Company may acquire for the assets of the sub-fund up to a maximum of 30% of units of other collective investment schemes.

No pooling pursuant to § 3 cipher 7 is intended for this sub-fund.

For this sub-fund, the Fund Management Company will not enter into securities lending transactions pursuant to § 10.

For this sub-fund, the Fund Management Company will not enter into repurchase agreements, including reverse repurchase agreements (reverse repo), pursuant to § 11.

### **§ 32M Accounting Currency (§ 21 Fund Contract)**

The accounting currency of the sub-fund iShares SPI® Equity Index Fund NoL (CH) is Swiss Francs.