

# BlackRock Global Funds

## Simplified Prospectus Dated 09 October 2009 Bond Funds

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

Registered Office: Aerogolf Centre, 1A Hoehenhof, L-1736 Senningerberg, Grand Duchy of Luxembourg. Registered Number: B.6317



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

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

Key to table:

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

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

### **Investment Objective & Policy**

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

### **General Risk Factors**

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

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

### **Profile of the Typical Investor**

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

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

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

Euro Reserve Fund  
US Dollar Reserve Fund

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

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

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

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

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

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

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

### **Launch Date and Fund Performance**

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

### **Treatment of Income and Classes of Shares**

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

The Directors' current policy is to retain and reinvest all net income except for income from the Distributing Share Classes and income from the UK Distributor Status Share Classes. For the Distributing Share Classes and UK Distributor Status Share Classes, the policy is to distribute substantially all the investment income for the period after deduction of expenses. The Directors may also determine if and to what extent dividends may include distributions from both realised and unrealised capital gains. The following are Distributing Bond Funds.

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

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

In respect of Funds launched after the date of this Simplified Prospectus and in order to smooth dividend payments, the Directors may, in their absolute discretion, decide to accumulate any net income generated during the first year of the Fund and apply alternative payment frequencies outside of the normal dividend payment periods as set out above in accordance with the current Dividend Policy ordinarily applicable to that Fund type.

The Directors may also decide to average out any net income accumulated over subsequent payment periods (which may include payment dates after the first year), it being understood that the Directors' discretion to accumulate net income will only be applied to net income generated during the first year.

Investors of the Funds concerned may obtain the relevant distribution policy applied during the first year of launch upon demand and free of charge at the registered office of the Company or at the local Investor Servicing team.

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

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

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

The list of Funds operating income equalisation arrangements and the income element included in the daily price of Distributing (M) Shares, Distributing (Q) Shares and Distributing (A) Shares will be made available upon request from the Company's registered office or online at [www.blackrock.com](http://www.blackrock.com)

### **Calculation of Dividends**

Those Distributing Shares which pay dividends monthly are further divided into Shares as follows:

- Those Shares for which dividends are calculated daily are known as Distributing (D) Shares.
- Those Shares for which dividends are calculated monthly are known as Distributing (M) Shares.

Investors may choose to hold either Distributing (M) Shares or Distributing (D) Shares but may not hold both.

Distributor Shares with quarterly dividend payments are known as Distributing (Q) Shares.

Distributing Shares with annual dividend payments are known as Distributing (A) Shares.

The calculation method for each type is described below:

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

#### Declaration, Payment of Reinvestment of Dividend

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

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

\* The options described in this chart will also apply to the respective class(es) of UK Distributor Status Shares.

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

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

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

## Distributor Status Funds and UK Distributor Status Shares

The following Fund offers UK Distributor Status Sterling Denominated Class A Shares as at the date of this Simplified Prospectus. The Company may apply for UK Distributor Status for Sterling denominated Class A Share of other Funds and for other Share Classes or Dealing Currencies of this Fund and other Funds. Confirmation of the additional Funds, Classes of Shares and Dealing Currencies in respect of which the Company may apply for UK Distributor Status will then be available from the registered office of the Company and from the local Investor Servicing team. An updated list of available UK Distributor Status Funds, Share Classes and Dealing Currencies will be then included in the next version of the Simplified Prospectus.

On 16 December 2008 the UK Government released draft regulations in respect of a new framework for the taxation of investments in offshore funds, to replace the existing distributing funds regime, which would operate by reference to whether a fund opts into a reporting regime ("reporting funds") or not ("non-reporting funds"). Under the draft regulations, investors in reporting funds would be subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether or not distributed, but any gains on disposal of their holding would be subject to capital gains tax. The proposed new regime will be enacted under regulations made pursuant to the Finance Act 2008 and is proposed to have effect for accounting periods beginning on or after 1 December 2009.

The Directors currently intend to apply for "reporting fund" status in respect of share classes currently certified as UK Distributor Status when the regime comes into force. The Directors may also apply for "reporting fund" status in respect of share classes which do not currently have UK Distributor Status.

US Dollar Reserve Fund

## Dealing Currency

The currency or currencies in which applicants may currently subscribe for the Shares of any Fund. Dealing currencies may be introduced at the Directors' discretion. Confirmation of the Dealing Currencies is available from the registered office of the Company and from the local Investor Servicing team.

## Hedged Share Classes

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

## Fees, Charges & Expenses

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

Selected distributors may impose a **charge** on each conversion of those Shares acquired through them, which will be deducted at the time of conversion and paid to the relevant distributor.

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

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

The **Custodian** receives annual fees, based on the value of securities, which accrue daily, plus transaction fees. The annual fees range from 0.011% to 0.608% per annum and the transaction fees range from US\$13 to US\$157 per transaction.

The Company pays **administration fees** of up to 0.25% per annum. The level of administration fees may vary at the Directors' discretion, as agreed with the Management Company, across Funds and Classes the investor buys. Administration fees accrue daily, are based on the Net Asset Value of the relevant Class and are paid monthly. Administration fees comprise without limitation all operational costs and expenses incurred by the Company, with the exception of the fees of the Custodian and any taxes thereon. In addition taxes payable by the Company such as subscription taxes remain payable by the Company. Administration fees are included in the "Expenses" column for each fund listed in Appendix 3.

The administration fee shall not exceed 0.25% per annum and any costs and expenses in excess shall be borne by a BlackRock Group Company.

## Price Publication

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

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

## How to Buy/Sell/Convert Shares

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

Orders placed through distributors rather than directly with the Transfer Agent or the local Investor Servicing team may be

subject to different procedures which may delay receipt by the Transfer Agent or the local Investor Servicing team. Investors should consult their distributor before placing orders in any Fund.

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

### **Applications**

Merrill Lynch clients may enter their application orders through their Merrill Lynch Financial Advisers. In all other cases, initial applications for Shares must be made to the Transfer Agent or the local Investor Servicing team on the application form. For initial applications for Shares by fax or telephone, applicants will be sent an application form that must be completed and returned by mail to the Transfer Agent or the local Investor Servicing team to confirm the application. Failure to provide the original application form will delay the completion of the transaction and consequently the ability to effect subsequent dealings in the Shares concerned. Subsequent applications for Shares may be made in writing or by fax or telephone. Investors who do not specify a Share Class in the application will be deemed to have requested Class A Non-Distributing Shares. In some countries investors may be able to subscribe for Shares through Regular Savings Plans. In particular, in Italy investors may be able to subscribe for Shares through Regular Savings Plans. Under Regular Savings Plans it may be also possible to periodically/regularly redeem and/or convert the Shares. Details of the Regular Savings Plans facilities offered will be provided in the subscription form for Italy.

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

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

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

As a result of anti-money laundering regulation, additional documentation may be required for subscriptions for Shares. The circumstances under which it is required and the precise requirements are set out in the notes on the application form. Failure to provide documentation may result in the withholding of redemption proceeds. If you have any questions regarding the identification documentation required, you should contact the local Investor Servicing team or the Transfer Agent.

For all Shares, settlement in cleared funds must be made within three Business Days of the relevant Dealing Day.

### **Redemptions**

Merrill Lynch clients may enter their redemption orders through their Merrill Lynch Financial Advisers. In all other cases, instructions for the redemption of Registered Shares should normally be given by completing the form that accompanies confirmation notes and is available from the Transfer Agent or the local Investor Servicing team. They may also be given to the Transfer Agent or the local Investor Servicing team in writing, or by fax or telephone followed in each case by confirmation in writing sent by mail to the Transfer Agent or the local Investor Servicing team unless a coverall renunciation and fax indemnity including instructions to pay the redemption proceeds to a specified bank account has been agreed. Failure to provide written confirmations may delay settlement of the transaction. Written redemption requests (or written confirmations of such requests) must include the full name(s) and address of the holders, the name of the Fund, the Class (including whether it is the Distributing or Non-Distributing Share Class), the value or number of Shares to be redeemed and full settlement instructions and must be signed by all holders. Redemptions of bearer Shares will be effected only upon receipt of the relevant certificates. If a redemption order is made for a cash amount or for a number of Shares to a higher value than that of the applicant's account then this order will be automatically treated as an order to redeem all of the Shares on the applicant's account.

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

### **Conversions**

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

Conversions are also permitted from one Class of Share of a Fund to Shares of another Class of either the same Fund or a different Fund. Such conversions are permitted provided that the shareholder satisfies the conditions applicable to investment of the Investment in the Share Class being converted into.

Conversion and investment into certain Share Classes is at the discretion of the Management Company. The Directors may, at their discretion, refuse conversions in order to ensure that the Shares are not held by or on behalf of any person who does not meet the conditions applicable to investment in that Share Class, or who would hold the Shares in circumstances which could give rise to a breach of law, or requirements of any country, government or regulatory authority on the part of that person or give rise to adverse tax or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. Additional detail on conversions may be found in the full Prospectus of the Company.

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

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

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

## **Taxation**

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

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

Under current legislation, Shareholders are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg (except for (i) those domiciled, resident or having a permanent establishment in Luxembourg or (ii) non-residents of Luxembourg who hold 10% or more of the share capital of the Company and who dispose of all or part of their holdings within six months of the date of acquisition or (iii) in some limited cases, certain former residents of Luxembourg who hold 10% or more of the Shares in the Company).

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

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

In accordance with the provisions of the European Union Savings Directive ("EUSD") which came into force on 1 July 2005, EU countries will be required to apply either exchange information or withholding tax on certain interest payments to EU resident individuals and potentially to residents of dependent territories. A further option allowing an EU resident shareholder to submit an exemption certification is also available. Although exchange of information is the ultimate objective of the EUSD, Luxembourg, Belgium and Austria and certain dependent or associated territories of EU Member States (such as Jersey, Guernsey and the Isle of Man) have opted to apply withholding tax during a transitional period. Under these arrangements withholding tax will apply when a Luxembourg Paying Agent makes distributions from and redemptions of shares in certain funds and where the beneficiary of these proceeds is an individual residing in another Member State. Withholding tax may also apply in relation to some fund mergers. However, an individual may specifically request to be brought within the EUSD exchange of information regime which would result in no withholding tax being applied but instead information regarding the distribution, redemption or merger being provided to the fiscal authority in the country in which he is resident. Broadly, the funds affected will be those which invest in money debts.

**Date of incorporation of the Company**

14 June 1962

**Country of incorporation**

Grand Duchy of Luxembourg

**Supervisory authority**

Commission de Surveillance du Secteur Financier

**Management Company**

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

**Principal Distributor**

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

**Investment Advisers**

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

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

BlackRock Financial Management, Inc.,  
40 East 52<sup>nd</sup> Street, New York, NY 10022, USA

BlackRock Investment Management, LLC.  
800 Scudders Mill Road, Plainsboro, NJ 08536, USA

**Promoter**

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

**Enquiries**

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

All other enquiries: Telephone: + 44 207 743 3300,  
Fax: + 44 207 743 1143

**Custodian/Fund Accountant**

The Bank of New York Mellon (International) Limited  
Aerogolf Centre, 1A, Hoehenhof,  
L-1736 Senningerberg, Grand Duchy of Luxembourg

**Transfer Agent and Registrar**

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

**Auditor**

PricewaterhouseCoopers S.à r.l.  
Réviseur d'entreprises  
400, route d'Esch, B.P. 1443, L-1014 Luxembourg  
Grand Duchy of Luxembourg

For further information contact the local Investor Servicing team.

Issued by BlackRock Global Funds.

For your protection, telephone calls may be recorded.

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

Appendix 1 – Investment Objectives and Performance Details for Bond Funds

**ASIAN TIGER BOND FUND**

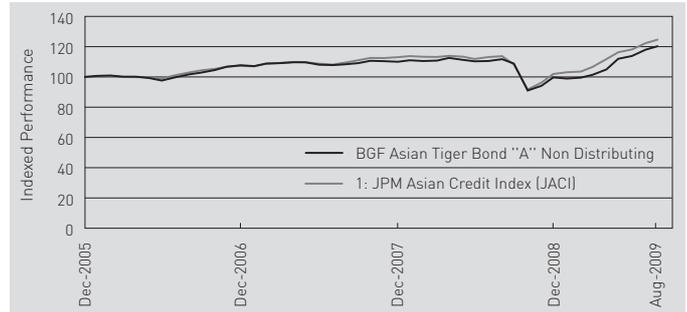
**Investment Objective & Policy**

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

The Base Currency of the Fund is US\$.

**Launch Date and Performance Details**

The Fund was launched on 2 February 1996.



**EMERGING MARKETS BOND FUND**

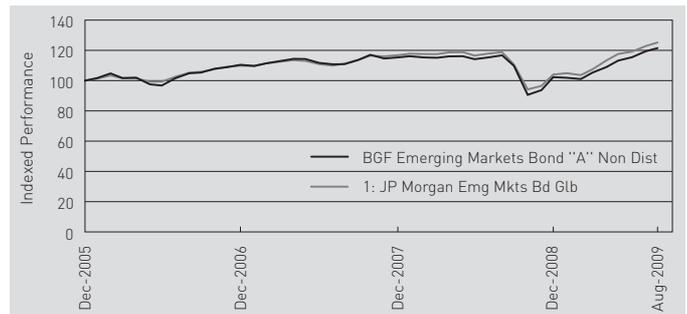
**Investment Objective & Policy**

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

The Base Currency of the Fund is US\$.

**Launch Date and Performance Details**

The Fund was launched on 1 October 2004.



**EURO BOND FUND**

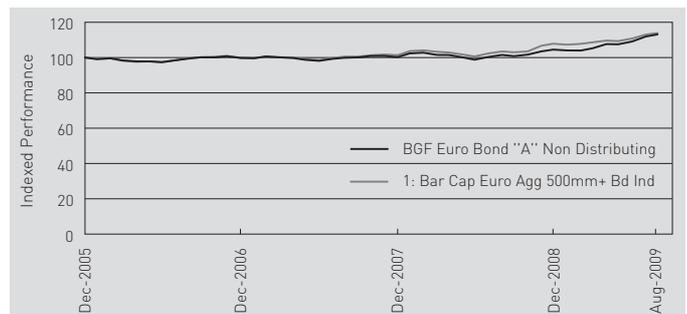
**Investment Objective & Policy**

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

The Base Currency of the Fund is €.

**Launch Date and Performance Details**

The Fund was launched on 31 March 1994.



## EURO CORPORATE BOND FUND

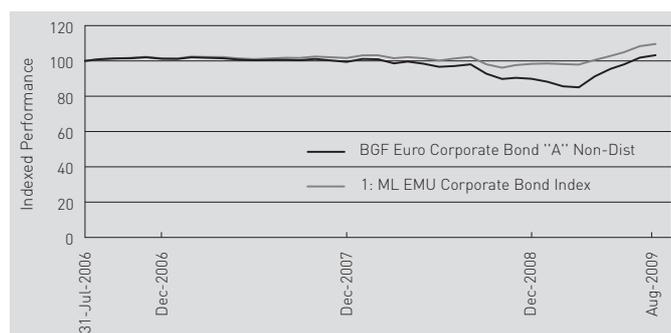
### Investment Objective & Policy

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

The Base Currency of the Fund is €.

### Launch Date and Performance Details

The Fund was re-launched on 31 July 2006.



## EURO RESERVE FUND

### Investment Objective & Policy

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

The Base Currency of the Fund is €.

### Launch Date and Performance Details

The Fund was launched on 24 July 2009 and therefore past performance details are not yet available.

## EURO SHORT DURATION BOND FUND

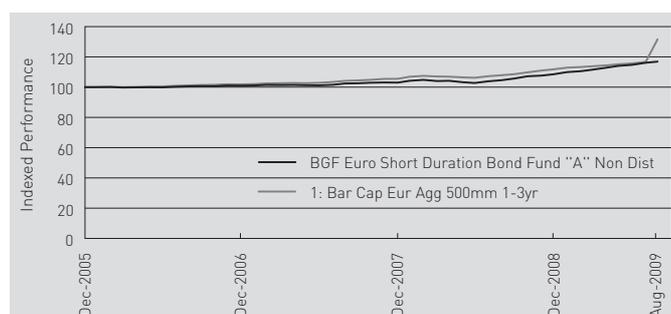
### Investment Objective & Policy

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

The Base Currency of the Fund is €.

### Launch Date and Performance Details

The Fund was launched on 4 January 1999.



## FIXED INCOME GLOBAL OPPORTUNITIES FUND

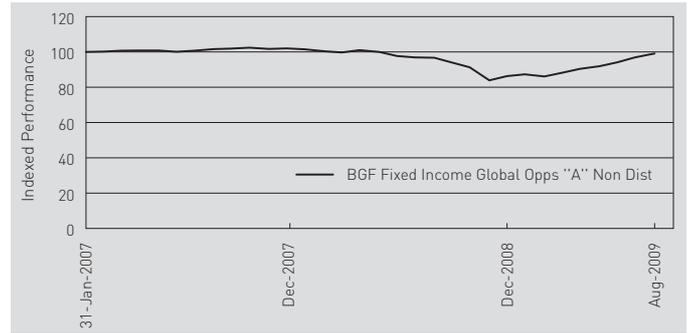
### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

The Fund was launched on 31 January 2007.



## GLOBAL CORPORATE BOND FUND

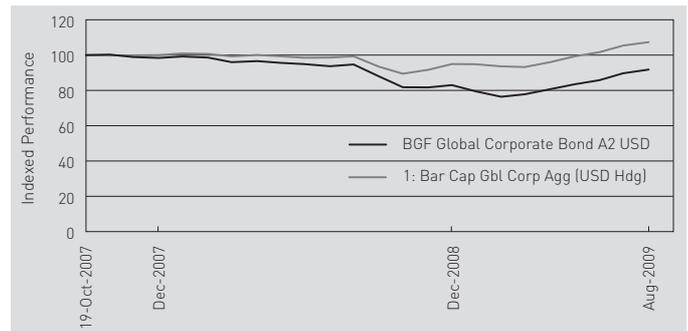
### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

The Fund was launched on 19 October 2007.



## GLOBAL GOVERNMENT BOND FUND

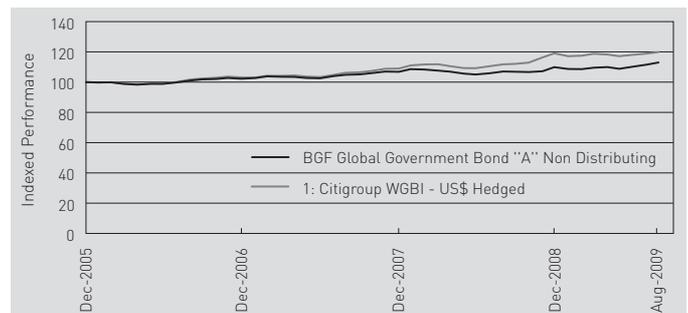
### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

The Fund was launched on 13 May 1987.



## GLOBAL HIGH YIELD BOND FUND

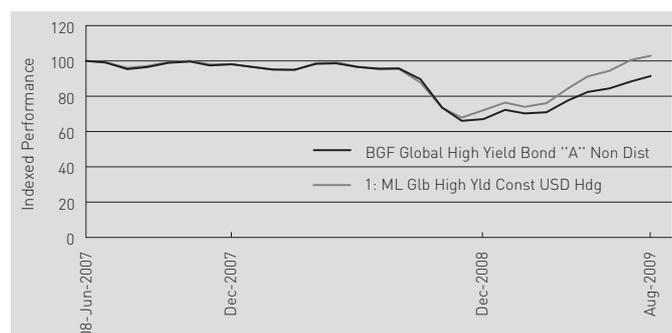
### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

The Fund was launched on 8 June 2007.



## GLOBAL INFLATION LINKED BOND FUND

### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

The Fund was launched on 19 June 2009 and therefore past performance details are not yet available.

## LOCAL EMERGING MARKETS BOND FUND

### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

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

### LOCAL EMERGING MARKETS SHORT DURATION BOND FUND

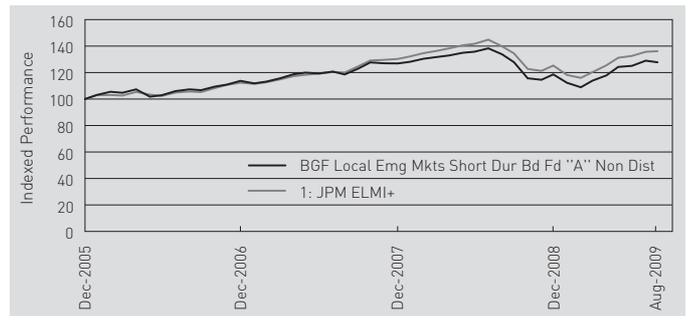
**Investment Objective & Policy**

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

The Base Currency of the Fund is US\$.

**Launch Date and Performance Details**

The Fund was launched on 26 June 1997.



### US DOLLAR CORE BOND FUND

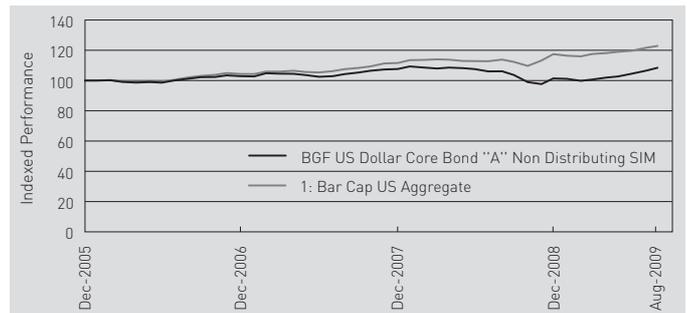
**Investment Objective & Policy**

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

The Base Currency of the Fund is US\$.

**Launch Date and Performance Details**

The Fund was launched on 13 July 1999.



### US DOLLAR CORPORATE BOND FUND

**Investment Objective & Policy**

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

The Base Currency of the Fund is US\$.

**Launch Date and Performance Details**

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

## US DOLLAR HIGH YIELD BOND FUND

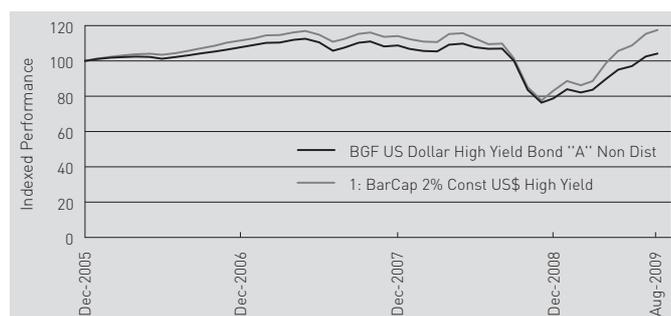
### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

The Fund was launched on 29 October 1993.



## US DOLLAR RESERVE FUND

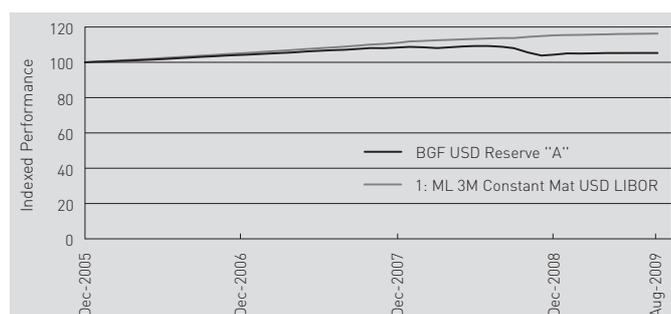
### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

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



## US DOLLAR SHORT DURATION BOND FUND

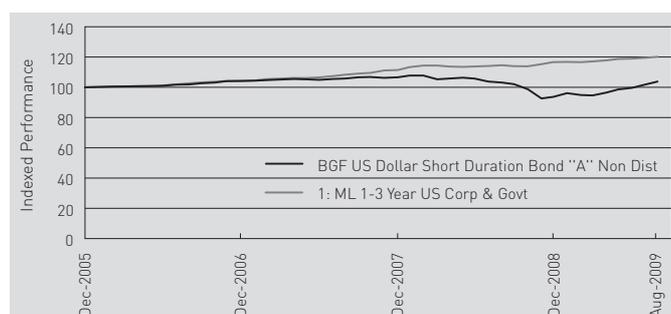
### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

The Fund was launched on 31 October 2002.



## US GOVERNMENT MORTGAGE FUND

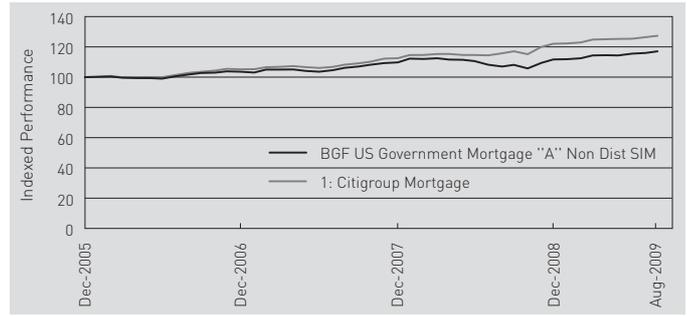
### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

The Fund was launched on 2 August 1985.



## WORLD BOND FUND

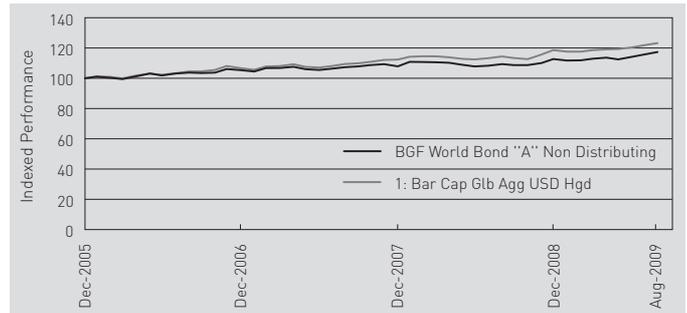
### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

The Fund was launched on 4 September 1985.



## WORLD INCOME FUND

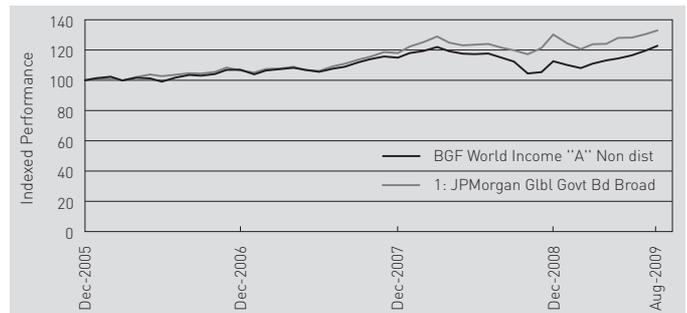
### Investment Objective & Policy

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

The Base Currency of the Fund is US\$.

### Launch Date and Performance Details

The Fund was launched on 30 November 2005.



## Appendix 2 – Risk Profile of Bond Funds

This section explains some of the risks that apply to the Funds. It does not purport to be a complete explanation and other risks may also be relevant from time to time. In particular, the Company's performance may be affected by changes in market and/or economic and political conditions, and in legal, regulatory and tax requirements.

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

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

Fund Name	Specific Risks
<i>Emerging Markets Bond Fund</i> <i>Local Emerging Markets Bond Fund</i> <i>Local Emerging Markets Short Duration Bond Fund</i> <i>US Government Mortgage Fund</i> <i>World Income Fund</i>	<p><b>Risk to Capital Growth</b></p> <p>Certain Funds may make distributions from capital as well as income or pursue certain investment strategies in order to generate income. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital and the potential for long-term capital growth.</p>
<i>All Funds</i>	<p><b>Tax Considerations</b></p> <p>Any change in the Company's tax status or in taxation legislation could affect the value of the Investments held by the Company and affect the Company's ability to provide investor returns. Potential investors and Shareholders should note that the statements on taxation which are set out herein are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.</p>
<i>All Funds</i>	<p><b>Other Risks</b></p> <p>The funds may be exposed to risks that are outside of its control – for example legal risks from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress; the risk of terrorist actions; the risk that economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.</p> <p>Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Company could be substantial and adverse.</p>
<i>Asian Tiger Bond Fund</i> <i>Emerging Markets Bond Fund</i> <i>Euro Bond Fund</i> <i>Euro Corporate Bond Fund</i> <i>Euro Reserve Fund</i> <i>Euro Short Duration Bond Fund</i> <i>Fixed Income Global Opportunities Fund</i> <i>Global Corporate Bond Fund</i> <i>Global Government Bond Fund</i> <i>Global High Yield Bond Fund</i> <i>Global Inflation Linked Bond Fund</i> <i>Local Emerging Markets Bond Fund</i> <i>Local Emerging Markets Short Duration Bond Fund</i> <i>US Dollar Core Bond Fund</i> <i>US Dollar Corporate Bond Fund</i> <i>US Dollar High Yield Bond Fund</i> <i>US Dollar Reserve Fund</i> <i>US Dollar Short Duration Bond Fund</i> <i>US Government Mortgage Fund</i> <i>World Bond Fund</i> <i>World Income Fund</i>	<p><b>Fixed Income Transferable Securities</b></p> <p>Debt securities are subject to both actual and perceived measures of creditworthiness. The "downgrading" of a rated debt security or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market.</p> <p>A Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect a Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Fund may experience losses and incur costs.</p> <p>Non-investment grade debt may be highly leveraged and carry a greater risk of default. In addition, non-investment grade securities tend to be more volatile than higher rated fixed-income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed-income securities.</p>

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

### **Distressed Securities**

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

Some Funds may invest in securities of issuers that are encountering a variety of financial or earnings problems and represent distinct types of risks. A Fund's investments in equity or fixed income transferable securities of companies or institutions in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

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

### **Delayed Delivery Transactions**

Funds that invest in fixed income transferable securities may purchase "To Be Announced" securities ("TBAs"). This refers to the common trading practice in the mortgage-backed securities market in which a security is to be bought from a mortgage pool (Ginnie Mae, Fannie Mae or Freddie Mac) for a fixed price at a future date. At the time of purchase the exact security is not known, but the main characteristics of it are specified. Although the price has been established at the time of purchase, the principal value has not been finalised. Purchasing a TBA involves a risk of loss if the value of the security to be purchased declines prior to the settlement date. Risks may also arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts.

Although the Funds will generally enter into TBA purchase commitments with the intention of acquiring securities, the Funds may also dispose of a commitment prior to settlement if it is deemed appropriate to do so. Proceeds of TBA sales are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment (deliverable on or before the sale commitment date), are held as cover for the transaction.

If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, the Fund realises a gain or loss on the commitment without regard to any unrealised gain or loss on the underlying security. If the Fund delivers securities under the commitment, the Fund realises a gain or loss from the sale of the securities upon the unit price established at the date the commitment was entered into.

Emerging Markets Bond Fund  
 Fixed Income Global Opportunities Fund  
 Global Corporate Bond Fund  
 Global Government Bond Fund  
 Global High Yield Bond Fund  
 Local Emerging Markets Short Duration Bond Fund  
 US Dollar Reserve Fund  
 US Government Mortgage Fund  
 World Bond Fund

### **Hedged Share Class**

While the Fund or its authorised agent may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the Fund and the Hedged Share Class.

The hedging strategies may be entered into whether the Base Currency is declining or increasing in value relative to the relevant currency of the Hedged Share Class and so, where such hedging is undertaken it may substantially protect investors in the relevant Class against a decrease in the value of the Base Currency relative to the Hedged Share Class currency, but it may also preclude investors from benefiting from an increase in the value of the Base Currency.

All gains/losses or expenses arising from hedging transactions are borne separately by the shareholders of the respective Hedged Share Classes. Given that there is no segregation of liabilities between Share Classes, there is a remote risk that, under certain circumstances, currency hedging transactions in relation to one Share Class could result in liabilities which might affect the Net Asset Value of the other Share Classes of the same Fund.

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

### **Derivatives – Bonds, Mixed Funds and certain Equity Funds**

These Funds may use derivatives to facilitate more complex efficient portfolio management techniques. In particular this may involve:

- Using swap contracts to adjust interest rate risk;
- Using currency derivatives to buy or sell currency risk;
- Writing covered call options to generate additional income;
- Using credit default swaps to buy or sell credit risk; and
- Using volatility derivatives to adjust volatility risk.

### **Credit Default Swaps**

The use of credit default swaps normally carries a higher risk than investing in bonds directly. A credit default swap allows the transfer of default risk. This allows investors to effectively buy insurance on a bond they hold (hedging the investment) or buy protection on a bond they do not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of protection, and a payment is due to the buyer in the event that there is a "credit event" (a decline in credit quality, which will be pre-defined in the agreement). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid.

The market for credit default swaps may sometimes be more illiquid than bond markets. A Fund entering into credit default swaps must at all times be able to meet the redemption requests. Credit default swaps are valued on a regular basis according to verifiable and transparent valuation methods reviewed by the Company's auditor.

### **Volatility Derivatives**

The volatility of a security (or basket of securities) is a statistical measure of the speed and magnitude of changes in the price of a security (securities) over defined periods of time. Volatility derivatives are based on an underlying basket of shares, and Funds may use volatility derivatives to increase or reduce volatility risk, in order to express an investment view on the change in volatility, based on an assessment of expected developments in underlying securities markets. For example, if a significant change in the market background is expected, it is likely that the volatility of securities prices will increase as prices adapt to the new circumstances.

The Funds may only buy or sell volatility derivatives which are based on an index where:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers; and
- it is published in an appropriate manner.

The price of volatility derivatives may be highly volatile, and may move in a different way to the other assets of the Fund, which could have a significant effect on the Net Asset Value of a Fund's Shares.

*Asian Tiger Bond Fund*  
*Emerging Markets Bond Fund*  
*Euro Corporate Bond Fund*  
*Fixed Income Global Opportunities Fund*  
*Global Corporate Bond Fund*  
*Global Inflation Linked Bond Fund*  
*Local Emerging Markets Bond Fund*  
*Local Emerging Markets Short Duration Bond Fund*  
*World Income Fund*

### **Emerging Markets & Sovereign Debt**

Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility.

The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in lower liquidity and higher price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Fund's acquisition or disposal of securities.

Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries maybe particularly significant. Another risk common to most developing countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and less developed financial systems also presents risks in certain countries, as do environmental problems.

Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information by certain categories of investor.

In certain emerging markets, registrars are not subject to effective government supervisions nor are they always independent from issuers. Investors should therefore be aware that the Funds concerned could suffer loss arising from these registration problems.

Certain developing countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations ("Sovereign Debt") issued or guaranteed by developing governments or their agencies and instrumentalities ("governmental entities") involves a high degree of risk.

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*Asian Tiger Bond Fund*  
*Emerging Markets Bond Fund*  
*Euro Corporate Bond Fund*  
*Fixed Income Global Opportunities Fund*  
*Global Corporate Bond Fund*  
*Global Inflation Linked Bond Fund*  
*Local Emerging Markets Bond Fund*  
*Local Emerging Markets Short Duration Bond Fund*  
*World Income Fund*

**Restrictions on Foreign Investment**

Some countries prohibit or impose substantial restrictions on investments by foreign entities such as a Fund. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of a Fund.

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*All Funds*

**Financial Markets, Counterparties and Service Providers**

Firms may be exposed to finance sector companies which act as a service provider or as a counterparty for financial contracts. In times of extreme market volatility, such companies may be adversely affected, with a consequent adverse affect on the activities of the Funds.

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## Appendix 3 – Summary of Charges &amp; Expenses for Bond Funds

Please note the Expenses figure includes the admin fee, custody fee and Luxembourg tax. All figures are as at 29 August 2008, unless otherwise indicated.

## Asian Tiger Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	1.00	0.00	0.22	5.00	0.00
Class B	1.00	1.00	0.22	0.00	4.00 to 0.00
Class C	1.00	1.25	0.22	0.00	1.00 to 0.00
Class D	0.50	0.00	N/A	5.00	0.00
Class E	1.00	0.50	0.22	3.00	0.00
Class I	0.50	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	0.55	1.00	0.22	0.00	4.00 to 0.00
Class X	0.00	0.00	N/A	0.00	0.00

## Emerging Markets Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	1.25	0.00	0.22	5.00	0.00
Class B	1.25	1.00	0.24	0.00	4.00 to 0.00
Class C	1.25	1.25	0.24	0.00	1.00 to 0.00
Class D	0.65	0.00	0.32	5.00	0.00
Class E	1.25	0.50	0.24	3.00	0.00
Class I	0.65	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	0.55	1.00	0.23	0.00	4.00 to 0.00
Class X	0.00	0.00	0.11	0.00	0.00

## Euro Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.75	0.00	0.22	5.00	0.00
Class B	0.75	1.00	0.22	0.00	4.00 to 0.00
Class C	0.75	1.25	0.22	0.00	1.00 to 0.00
Class D	0.40	0.00	0.13	5.00	0.00
Class E	0.75	0.50	0.22	3.00	0.00
Class I	0.40	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	1.15	1.25	0.21	0.00	4.00 to 0.00
Class X	0.00	0.00	0.04	0.00	0.00

## Euro Corporate Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	1.00	0.00	0.21	5.00	0.00
Class B	1.00	1.00	0.21	0.00	4.00 to 0.00
Class C	1.00	1.25	0.21	0.00	1.00 to 0.00
Class D	0.50	0.00	N/A	5.00	0.00
Class E	1.00	0.50	0.22	3.00	0.00
Class I	0.50	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class X	0.00	0.00	N/A	0.00	0.00

## Euro Reserve Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.45	0.00	N/A	0.00	0.00
Class B	0.45	0.00	N/A	0.00	0.00
Class C	0.45	0.00	N/A	0.00	0.00
Class D	0.25	0.00	N/A	0.00	0.00
Class E	0.45	0.25	N/A	0.00	0.00
Class I	0.25	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	0.75	0.00	N/A	0.00	0.00
Class X	0.00	0.00	N/A	0.00	0.00

## Euro Short Duration Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.75	0.00	0.17	5.00	0.00
Class B	0.75	1.00	0.17	0.00	4.00 to 0.00
Class C	0.75	1.25	0.18	0.00	1.00 to 0.00
Class D	0.40	0.00	0.16	5.00	0.00
Class E	0.75	0.50	0.17	3.00	0.00
Class I	0.40	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	1.00	1.25	0.16	0.00	4.00 to 0.00
Class X	0.00	0.00	N/A	0.00	0.00

### Fixed Income Global Opportunities Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	1.00	0.00	0.23	5.00	0.00
Class B	1.00	1.00	0.22	0.00	4.00 to 0.00
Class C	1.00	1.25	0.22	0.00	1.00 to 0.00
Class D	0.50	0.00	N/A	5.00	0.00
Class E	1.00	0.50	0.22	3.00	0.00
Class I	0.50	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class X	0.00	0.00	N/A	0.00	0.00

### Global Corporate Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	1.00	0.00	0.22	5.00	0.00
Class B	1.00	1.00	N/A	0.00	4.00 to 0.00
Class C	1.00	1.25	N/A	0.00	1.00 to 0.00
Class D	0.50	0.00	N/A	5.00	0.00
Class E	1.00	0.50	0.29	3.00	0.00
Class I	0.50	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class X	0.00	0.00	N/A	0.00	0.00

### Global Government Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.90	0.00	0.22	5.00	0.00
Class B	0.90	1.00	0.21	0.00	4.00 to 0.00
Class C	0.90	1.25	0.22	0.00	1.00 to 0.00
Class D	0.45	0.00	N/A	5.00	0.00
Class E	0.90	0.50	0.20	3.00	0.00
Class I	0.45	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	1.15	1.25	0.21	0.00	4.00 to 0.00
Class X	0.00	0.00	N/A	0.00	0.00

### Global High Yield Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	1.25	0.00	0.21	5.00	0.00
Class B	1.25	1.00	0.21	0.00	4.00 to 0.00
Class C	1.25	1.25	0.21	0.00	1.00 to 0.00
Class D	0.65	0.00	0.11	5.00	0.00
Class E	1.25	0.50	0.21	3.00	0.00
Class I	0.65	0.00	0.07	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	1.35	1.25	0.21	0.00	4.00 to 0.00
Class X	0.00	0.00	N/A	0.00	0.00

### Global Inflation Linked Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.85	0.00	N/A	5.00	0.00
Class B	0.85	1.00	N/A	0.00	4.00 to 0.00
Class C	0.85	1.25	N/A	0.00	1.00 to 0.00
Class D	0.45	0.00	N/A	5.00	0.00
Class E	0.85	0.50	N/A	3.00	0.00
Class I	0.45	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class X	0.00	0.00	N/A	0.00	0.00

### Local Emerging Markets Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	1.25	0.00	N/A	5.00	0.00
Class B	1.25	1.00	N/A	0.00	4.00 to 0.00
Class C	1.25	1.25	N/A	0.00	1.00 to 0.00
Class D	0.65	0.00	N/A	5.00	0.00
Class E	1.25	0.50	N/A	3.00	0.00
Class I	0.65	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class X	0.00	0.00	N/A	0.00	0.00

## Local Emerging Markets Short Duration Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	1.00	0.00	0.23	5.00	0.00
Class B	1.00	1.00	0.23	0.00	4.00 to 0.00
Class C	1.00	1.25	0.23	0.00	1.00 to 0.00
Class D	0.50	0.00	0.38	5.00	0.00
Class E	1.00	0.50	0.23	3.00	0.00
Class I	0.50	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	0.55	1.00	0.23	0.00	4.00 to 0.00
Class X	0.00	0.00	0.05	0.00	0.00

## US Dollar High Yield Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	1.25	0.00	0.21	5.00	0.00
Class B	1.25	1.00	0.21	0.00	4.00 to 0.00
Class C	1.25	1.25	0.21	0.00	1.00 to 0.00
Class D	0.65	0.00	N/A	5.00	0.00
Class E	1.25	0.50	0.21	3.00	0.00
Class I	0.65	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	0.55	0.75	0.21	0.00	4.00 to 0.00
Class X	0.00	0.00	0.05	0.00	0.00

## US Dollar Core Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.90	0.00	0.21	5.00	0.00
Class B	0.90	1.00	0.21	0.00	4.00 to 0.00
Class C	0.90	1.25	0.21	0.00	1.00 to 0.00
Class D	0.45	0.00	N/A	5.00	0.00
Class E	0.90	0.50	0.20	3.00	0.00
Class I	0.45	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	0.65	1.00	0.21	0.00	4.00 to 0.00
Class X	0.00	0.00	0.04	0.00	0.00

## US Dollar Reserve Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.45	0.00	0.12	0.00	0.00
Class B	0.45	0.00	0.12	0.00	0.00
Class C	0.45	0.00	0.12	0.00	0.00
Class D	0.25	0.00	0.14	0.00	0.00
Class E	0.45	0.25	0.12	0.00	0.00
Class I	0.25	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	0.75	0.00	0.12	0.00	4.00 to 0.00
Class X	0.00	0.00	N/A	0.00	0.00

## US Dollar Corporate Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	1.00	0.00	N/A	5.00	0.00
Class B	1.00	1.00	N/A	0.00	4.00 to 0.00
Class C	1.00	1.25	N/A	0.00	1.00 to 0.00
Class D	0.50	0.00	N/A	5.00	0.00
Class E	1.00	0.50	N/A	3.00	0.00
Class I	0.50	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class X	0.00	0.00	N/A	0.00	0.00

## US Dollar Short Duration Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.75	0.00	0.16	5.00	0.00
Class B	0.75	1.00	0.16	0.00	4.00 to 0.00
Class C	0.75	1.25	0.17	0.00	1.00 to 0.00
Class D	0.40	0.00	N/A	5.00	0.00
Class E	0.75	0.50	0.16	3.00	0.00
Class I	0.40	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class X	0.00	0.00	0.04	0.00	0.00

## US Government Mortgage Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.90	0.00	0.21	5.00	0.00
Class B	0.90	1.00	0.22	0.00	4.00 to 0.00
Class C	0.90	1.25	0.21	0.00	1.00 to 0.00
Class D	0.45	0.00	N/A	5.00	0.00
Class E	0.90	0.50	0.21	3.00	0.00
Class I	0.45	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class Q	1.00	0.75	0.21	0.00	4.00 to 0.00
Class X	0.00	0.00	N/A	0.00	0.00

## World Bond Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.85	0.00	0.22	5.00	0.00
Class B	0.85	1.00	0.21	0.00	4.00 to 0.00
Class C	0.85	1.25	0.22	0.00	1.00 to 0.00
Class D	0.45	0.00	0.21	5.00	0.00
Class E	0.85	0.50	0.22	3.00	0.00
Class I	0.45	0.00	N/A	0.00	0.00
Class J	0.00	0.00	N/A	0.00	0.00
Class X	0.00	0.00	0.05	0.00	0.00

## World Income Fund

	Payable by Fund			Payable by investor	
	Management Fee	Distribution Fee	Expenses	Initial charge	CDSC
	%	%	%	%	%
Class A	0.90	0.00	0.23	5.00	0.00
Class B	0.90	1.00	0.22	0.00	4.00 to 0.00
Class C	0.90	1.25	0.22	0.00	1.00 to 0.00
Class D	0.45	0.00	0.40	5.00	0.00
Class E	0.90	0.50	0.22	3.00	0.00
Class I	0.45	0.00	N/A	0.00	0.00
Class J	0.00	0.00	0.06	0.00	0.00
Class X	0.00	0.00	N/A	0.00	0.00

## Summary of Subscription Procedure and Payment Instructions

1. **Application Form**  
For initial subscriptions for Shares you must complete the application form which may be obtained from the Transfer Agent or the local Investor Servicing team and the form must be signed by all joint applicants. Subsequent subscriptions may be made in writing or by fax or telephone, stating your registration details and the amount to be invested. If your application is being submitted by your professional adviser, section 5 of the application form should be completed. Completed application forms must be sent to the Transfer Agent or the local Investor Servicing team.
2. **Money Laundering Prevention**  
Please read the notes on the application form regarding the identification documents required and ensure that you provide these to the Transfer Agent or the local Investor Servicing team together with your application form.
3. **Payment**  
A copy of your telegraphic transfer instructions should be supplied with your application (see sections 4 & 5 below).
4. **Payment by Telegraphic Transfer**  
Payment by SWIFT/bank transfer in the relevant currency should be made to one of the accounts opposite. The SWIFT/bank transfer instruction should contain the following information:
  - (i) Bank Name
  - (ii) SWIFT Code or Bank Identifier
  - (iii) Account
  - (iv) Account Number
  - (v) Account Reference – “BGF – Fund name subscribed into”
  - (vi) By order of [Shareholder name/agent name & Shareholder number/agent number]
5. **Foreign Exchange**  
If you wish to make payment in a currency other than that in the Dealing Currency (or one of the Dealing Currencies) of your chosen Fund, this must be made clear at the time of application.

### A

#### US Dollars:

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

### B

#### Euros:

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

### C

#### Sterling:

JP Morgan London  
SWIFT code CHASGB2L, Sort Code 60-92-42  
For the account of: BlackRock (Channel Islands) Limited  
Account Number (IBAN) GB07CHAS6092421118940  
(formerly 11118940)  
Quoting Reference “Name of Fund – Name of Applicant”

### Others:

#### Australian Dollars:

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

#### Hong Kong Dollars:

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

#### Japanese Yen:

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

#### New Zealand Dollars:

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

#### Singapore Dollars:

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

#### Swedish Kroner:

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

#### Swiss Francs:

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





**FOR MORE INFORMATION**

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