

BlackRock Scientific Diversified Stable Fund
Product Disclosure Statement

BLACKROCK®

Dated: 31 August 2016

BlackRock Scientific Diversified Stable Fund
ARSN 089 406 011
BlackRock Investment Management (Australia) Limited
ABN 13 006 165 975
Australian Financial Services Licence No 230523

BlackRock Scientific Diversified Stable Fund

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Important information

This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important information (each of which forms part of this PDS) and persons should consider that information before making a decision about the Fund.

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

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

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

The Responsible Entity can change any terms and conditions of the offer contained in this PDS at any time. We reserve the right to outsource any or all investment, management and administration functions, including to related parties, without notice to investors.

Annual report

A copy of the audited annual financial report of the Fund is generally available by the end of September from us or upon request from your IDPS, superannuation fund or master trust operator. The audited annual financial report will be made available on our website at www.blackrock.com.au. You may also elect to receive a hard copy of the report by contacting our Client Services Team on the telephone number shown on the right of this page.

Incorporation by Reference

The Corporations Act 2001 (Cth) (**Corporations Act**) allows us to provide certain information to you separately to this PDS.

Where you see reference to "Incorporated by Reference" this means that additional information concerning the topic has been incorporated by reference and forms part of this PDS. This information can be found at www.blackrock.com.au/individual/funds-information/offer-documents. You should read this information before making an investment decision. This material may change between the time when you read this PDS and when you acquire the product.

This information is available to you free of charge upon request in paper format by contacting the BlackRock Client Services Centre on the telephone number shown below.

Information subject to change

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

Updated information that is not materially adverse can be obtained from our website at www.blackrock.com.au. A paper copy of any updated information is available free of charge upon request.

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

Responsible Entity contact details

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1. About BlackRock Investment Management (Australia) Limited

BlackRock Investment Management (Australia) Limited, ABN 13 006 165 975 (referred to in this PDS as **BlackRock, Responsible Entity, Manager, we, our** or **us**) is the responsible entity and the issuer of units in the BlackRock Scientific Diversified Stable Fund (**Fund**).

BlackRock is a wholly-owned subsidiary of BlackRock, Inc.® (**BlackRock Inc**) but is not guaranteed by BlackRock Inc, or any BlackRock Inc subsidiary or associated entity (the **BlackRock Group**). Neither BlackRock nor any member of the BlackRock Group guarantees the success of the Fund, the achievement of the investment objective, or the repayment of capital or particular rates of return on investment or capital.

The BlackRock Group is a global leader in investment management, risk management and advisory services for institutional and retail clients. At 30 June 2016, the BlackRock Group's AUM was US\$4.890 trillion. The BlackRock Group helps clients around the world meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, iShares® (exchange-traded funds), and other pooled investment vehicles. The BlackRock Group also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through BlackRock Solutions®. As of 30 June 2016, the BlackRock Group had approximately 12,700 employees in more than 30 countries and a major presence in global markets, including North and South America, Europe, Asia, Australia, the Middle East and Africa. For additional information, please visit our website at www.blackrock.com.au.

2. How the BlackRock Scientific Diversified Stable Fund works

The Fund is structured as a unitised registered managed investment scheme.

2.1 The interests that members acquire

When you invest in the Fund, you are allocated a number of units in the Fund. Each of these units represents an equal share in the net assets of the Fund. As a result, each unit has a dollar value or "unit price". The unit price will vary as the market value of assets in the Fund rises or falls.

2.2 Minimum investment amounts

When investing directly in the Fund you generally need a minimum initial amount of \$50,000.

2.3 How investors can increase or decrease their investment

Investors can increase or decrease their investment by acquiring units (refer to section 8.1 of this PDS "How to invest in the BlackRock Scientific Diversified Stable Fund") or redeeming all or part of their investment (refer to section 2.4 of this PDS "Redeeming your investment").

2.4 Redeeming your investment

If you have invested through an Investor Directed Portfolio Service (**IDPS**), superannuation fund or master trust, you need to complete the documents that the operator of these services requires of you to withdraw from the Fund. You do not need to complete any of our forms.

If you have invested directly into the Fund, withdrawals can be made in writing (including by facsimile). We will then make a deposit into your nominated Australian bank account.

You will normally be able to withdraw money from the Fund on any **Business Day**, being a day other than a Saturday or Sunday on which banks are open for general banking business in Melbourne or Sydney. A list of public holidays affecting the Fund is available on our website at www.blackrock.com.au.

If you have invested directly into the Fund, redemption requests must be received by 1.00 pm (Melbourne or Sydney time) on any Business Day. Redemption requests received before this time on a Business Day will generally be executed on the same day. Redemption requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

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

Redemptions are normally satisfied and paid within five Business Days of our having received the request, although we are allowed longer periods under the Fund's constitution. If you have invested through an IDPS, superannuation fund or master trust, you need to remember, however, that the operator of such services will process your withdrawal.

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

2.5 Frequency of distributions and how they are calculated

Any income you receive from your investments will be in the form of distributions. Your distribution may include interest, dividends, other income and realised gains. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected.

If you hold units in the Fund at the close of business on the last day of a distribution period, you are entitled to participate in the distributable income of the Fund. Distributions (if any) are usually paid within 21 Business Days of the end of the distribution period. Distributions are generally determined at the end of March, June, September and December each year but if you have invested through an IDPS, superannuation fund or master trust, the operator of such services may pay distributions at times that are different to this.

Additional information has been Incorporated by Reference.

You should read the information about the acquisition and disposal of interests before making an investment decision. Go to section 2 of the document titled "BlackRock Incorporation by Reference", which is available from our website at www.blackrock.com.au/individual/funds-information/offer-documents.*

3. Benefits of investing in the BlackRock Scientific Diversified Stable Fund

The significant benefits and features of investing in the Fund are:

Superior investment returns: the Fund aims to achieve superior investment performance that exceeds the returns of the neutral portfolio benchmark by 0.45% p.a. over rolling 3-year periods, after fees.

Additional information has been Incorporated by Reference.

You should read the information about the other features and benefits of the Fund before making an investment decision. Go to section 3 of the document titled "BlackRock Incorporation by Reference", which is available from our website at www.blackrock.com.au/individual/funds-information/offer-documents.*

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4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Returns are not guaranteed. Future returns may differ from past returns and investors may lose some or all of their investment.

The appropriate level of risk for each investor will vary depending on a range of factors including age, investment time frames, where other parts of the investor's wealth is invested and the investor's risk tolerance.

The significant investment risks of investing in the Fund include:

Counterparty risk. Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the manager of a fund (for example, BlackRock as responsible entity of the Fund) in relation to the sale and purchase of assets or securities. Such institutions may also be issuers of the securities in which a fund invests. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of a fund. The BlackRock Group uses reasonable efforts to mitigate such risks. However, there can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the relevant BlackRock fund.

Derivative risk: The Fund may be exposed to derivative instruments. Exposure to investments in derivatives can cause a fund to make greater gains or incur greater losses than the gains and losses of the underlying security in relation to which the derivative derives its value.

Derivative transactions may be subject to the risk that a counterparty to the transaction will wholly or partially fail to perform their contractual obligations under the arrangement (including failing to meet collateral requirements under the arrangement). Additionally, OTC markets are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that a fund has unrealised gains in such instruments or has deposited collateral with its counterparty that fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations.

The BlackRock Group attempts to minimise these risks by engaging in derivative transactions only with financial institutions that have substantial capital or that have provided a third-party guarantee or other credit enhancement.

Fixed income security risk: In general, cash and fixed income securities can provide more certainty in income flows and can offer greater capital price stability than other investments such as shares and property. However, there are a number of risks associated with an investment in fixed income securities, which can result in significant variability in investment returns and a loss of income or capital value. These include:

- ▶ *Interest rate risk.* An increase in interest rates will cause the values of fixed income securities, in particular fixed rate securities, to decline, which will in turn impact the returns of a fund investing in such securities. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.

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

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

- ▶ differences between countries in relation to accounting, financial reporting, taxation, legal, regulatory, pricing and liquidity requirements; and settlement and clearance procedures;
- ▶ currency risk, the risk that foreign currencies change in value relative to the Australian dollar, which may affect the Fund's investment returns. These movements may either add to or subtract from performance. The currency exposures of the Fund may be hedged or unhedged. While passive currency management may be undertaken, it may not be possible to perfectly match performance of the hedging in the Fund relative to that of its benchmark. In addition the impact of currency hedging on the Fund's return is uncertain, cannot be guaranteed and can result in capital losses; and
- ▶ the countries to which the Fund is exposed may be subject to considerable degrees of economic, political and social instability.

Individual investment risk: Individual investments that we buy or sell, like shares and fixed income securities, can and do fall in value for many reasons. Both prices as well as the levels of income (e.g. from dividends) are subject to fluctuation. The level of returns for individual investments will vary and the price can experience volatile movements.

Additionally, the Fund will gain exposure to investment vehicles that are managed as separate entities. No guarantee can be given that the investment vehicles in which the Fund invests will meet their investment objective, continue to be managed according to their current investment policy or be open to investments in the future.

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

Liquidity risk: The Fund may be exposed to securities which are in practice infrequently traded or for which typical daily volumes traded are small. It may not be possible to sell such securities when it is desirable to do so or to realise what the manager perceives to be their fair value in the event of a sale. We aim to reduce this risk by understanding the liquidity characteristics of securities the Fund is exposed to and planning our trading so as to minimise the adverse consequences of low liquidity.

Market risk: Economic, technological, political or legislative conditions, and even market sentiment, can (and do) change, and this can mean that fluctuations in investment markets can affect the value of the investments in a fund. The net asset value of a fund will change with changes in the market value of the securities it is exposed to. The price of units and the income from them may go down as well as up. Investors may not get back their original investment. There can be no assurance that a fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of a fund is based on the capital appreciation and income of the securities it is exposed to, less expenses incurred. A fund's return may fluctuate in response to changes in such capital appreciation or income.

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

Property risk: Property investments bear potentially higher risk than fixed income securities, but generally lower than shares. The risk level varies between development property (higher risk) and existing property (lower risk). Property also tends to have a unique cycle, which is different to shares and other asset classes.

Particular external factors affecting property include liquidity, interest rates, diversity of direct property holdings, the quality of properties, proximity to competing properties, current and expected income and other economic conditions that may affect supply and demand.

Property exposure in the Fund may be obtained via holdings in listed property securities (or via derivative contracts based on these securities). In addition to the above risks, these vehicles may be subject to refinancing risk associated with any borrowings made in order to acquire properties. Listed property securities are valued daily according to their last quoted market price.

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

Additional information has been Incorporated by Reference.

You should read the information about the significant risks of the Fund before making an investment decision. Go to section 4 of the document titled "BlackRock Incorporation by Reference", which is available from our website at www.blackrock.com.au/individual/funds-information/offer-documents.*

5. How we invest your money

Investors should consider the likely investment return, the risk, and their investment timeframe when choosing a fund in which to invest. This Fund only offers a single investment option.

The Fund aims to achieve superior investment performance through providing returns that exceed those of the neutral portfolio benchmark by 0.45% p.a., after fees, over rolling 3-year periods. The neutral portfolio benchmark comprises a portfolio of published indexes, approximately 70% of which represent defensive assets and 30% of which represent growth assets.

The Fund invests in various asset classes by investing in other pooled investment vehicles (**Underlying Funds**), including those managed by us or other entities within the BlackRock Group. The Fund primarily invests via actively managed sector funds, each of which utilises a disciplined active approach to investment management that aims to add value and control active risk. The selection of an Underlying Fund is the result of a comprehensive due diligence process to ensure that it is in line with fiduciary duties and in compliance with related party policies. The Fund may be a seed, lead or only investor in an Underlying Fund.

The table at the top of the following page details the Fund's present asset allocation guideline across the various asset classes, along with applicable performance benchmark indices.

The investment mix can change significantly and quickly. During periods of significant market movement, the Fund's allocations may be outside the maximum and minimum permitted ranges (as shown in the table below). The Fund's benchmark weights and investment ranges are subject to periodic review.

Derivatives, such as futures, forwards and options can be used to manage risk and return. When derivative positions are established they will always be backed by cash holdings and/or underlying assets. Derivative securities will not be used to gear the Fund.

While the constitution of the Fund allows the Responsible Entity to borrow, it is our intention that no borrowing arrangements will be entered into, other than temporary overdrafts, which may be used as a means of managing certain cash flows.

* This material may change between the time when you read this PDS and the day when you acquire the product.

Asset class	Investment range (%) min/max		Benchmark weight (%)	Performance benchmark indices
Australian shares	5	25	14	S&P/ASX 300 Accumulation Index
International developed markets shares	0	20		
▶ Hedged			6	MSCI World ex Australia Net TR Index (Hedged in AUD)
▶ Unhedged			4	MSCI World ex Australia Net TR Index (Unhedged in AUD)
Emerging markets shares	0	10	0	MSCI EM IMI ex Tobacco Net TR Index (Unhedged in AUD)
Global listed infrastructure	0	10	3	FTSE Developed Core Infrastructure Net TR Index (Unhedged in AUD)
Global real estate (REITs)	0	10	4	FTSE EPRA/NAREIT Developed Dividend+ Index (Unhedged in AUD)
Australian fixed interest	15	35	22	Bloomberg AusBond Composite 0+ Yr Index SM
International fixed interest	10	30		
▶ Developed markets fixed interest			14	Barclays Global Aggregate Index (Hedged in AUD)
▶ International credit			3	Barclays Global Aggregate Corporate Bond Index (Hedged in AUD)
▶ Emerging markets fixed interest			3	J.P. Morgan EMBI Global Core Index (Hedged in AUD)
Cash ¹	20	40	27	Bloomberg AusBond Bank Bill Index SM
1. May include cash, cash equivalents (including other BlackRock managed investment schemes) and allocation to investment strategies that have a cash benchmark, which may be used to implement security selection and active asset allocation views.				

The Fund may be suitable for investors who seek a risk controlled active diversified fund with an emphasis on defensive assets.

The minimum suggested timeframe for holding investments in the Fund is five years.

From an investor's perspective, the Fund is considered medium/low risk. Generally, the risk level associated with the Fund is greater if the Fund is held for a period less than the minimum suggested timeframe described above.

Additional information has been Incorporated by Reference.

You should read the information about how we invest your money, our consideration of labour standards or environmental, social or ethical issues, switching your investment and changes to the investment option, before making an investment decision. Go to section 5 of the document titled "BlackRock Incorporation by Reference", which is available from our website at www.blackrock.com.au/individual/funds-information/offer-documents.*

6. Fees and costs

DID YOU KNOW?

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

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

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

6.1 Fee table and example

The table below shows fees and other costs that you may be charged. Unless otherwise indicated, fees are inclusive of Goods and Services Tax (GST) and takes into account expected reduced input tax credits in respect of the GST component of the fee.

Type of fee or cost for investing in the Fund	Amount
Fees when your money moves in and out of the Fund¹	
Establishment Fee	Nil
Contribution Fee	Nil
Withdrawal Fee	Nil
Exit Fee	Nil
Management Costs	
The fees and costs for managing your investment.	
Management Fee	0.69% p.a. ²
1. Buy-sell spreads may apply when your money moves in or out of the Fund. Subject to law these may be varied at any time without prior notice. 2. The amount of this fee can be negotiated with certain "wholesale clients" or "sophisticated" or "professional" investors (as defined by the Corporations Act) in compliance with legal requirements and any applicable ASIC class orders.	

Information in the fee table can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your Fund account or deducted from investment returns.

* This material may change between the time when you read this PDS and the day when you acquire the product.

6.2 Can the fees and charges change?

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

The current fees applicable to your investment are set out in this PDS and although we have the power to change our fee structure, we have no present intention to do so.

6.3 Example of annual fees and costs

The table below gives an example of how the fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example of annual fees and costs for the Fund		
Balance of \$50,000 with a contribution of \$5,000 during year		
Contribution Fees	Nil	For every additional \$5,000 you put in you will be charged \$0.
PLUS		
Management Costs	0.69%	And, for every \$50,000 you have in the Fund you will be charged \$345 each year.
EQUALS		
Cost of Fund	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees of \$345. ¹ What it costs you will depend on the fees you negotiate.	
1. Additional expenses may apply, for instance, you may incur a buy-sell spread when you move money in or out of the Fund. Please note this is an example. In practice, the actual investment balance of an investor will vary and the actual fees we charge are based on the value of the Fund, which also fluctuates. The amounts assume a constant investment of \$50,000 throughout the year and do not take into account any additional contributions made during the year. Management Costs will also be charged in relation to additional contributions.		

There is a calculator provided by ASIC on its MoneySmart website (www.moneysmart.gov.au) which can be used to calculate the effect of fees and costs on Fund account balances.

Additional fees may be paid to a financial advisor as negotiated between you and your adviser – refer to the Statement of Advice which will be provided to you by your financial adviser which sets out the details of the fees.

Additional information has been Incorporated by Reference.

You should read the information about fees and costs before making an investment decision. Go to section 6 of the document titled “BlackRock Incorporation by Reference”, which is available from our website at www.blackrock.com.au/individual/funds-information/offer-documents.*

7. How managed investment schemes are taxed

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

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

Additional information has been Incorporated by Reference.

You should read the information about taxation before making an investment decision. Go to section 7 of the document titled “BlackRock Incorporation by Reference”, which is available from our website at www.blackrock.com.au/individual/funds-information/offer-documents.*

8. How to apply

8.1 How to invest in the BlackRock Scientific Diversified Stable Fund

If you are investing through an IDPS, superannuation fund or master trust, you must complete the documents that the operator of these services requires.

If you are a direct investor, complete and send to us (including by facsimile) the Fund's Application Form that accompanies this PDS or is available either by calling our Client Services Centre or from www.blackrock.com.au/individual/funds-information/offer-documents.

Application requests must be received by 1.00 pm (Melbourne or Sydney time) on any Business Day. Application requests received before this time on a Business Day will generally be executed on the same day. Application requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received on the following Business Day.

8.2 Do you have “cooling off” rights?

If you have invested through an IDPS, superannuation fund or master trust, your rights to cool off will be dealt with in the disclosure document of that service.

If you have invested directly into the Fund and are not otherwise a “wholesale client” or “professional investor” (as defined in the Corporations Act) you have a 14-day cooling off period in which to decide if the investment is right for you.

The 14-day cooling off period starts when your initial investment in the Fund is confirmed or the end of the fifth business day after the day on which units in the Fund are first issued, whichever is earlier.

If you would like to exercise your cooling off right, you must submit your request to us in writing (including by facsimile) and specifically state that you are exercising your cooling off right. If we receive your request by 1.00 pm (Melbourne or Sydney time) on any Business Day, your refund will generally be calculated on the same day. Cooling off requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received on the following Business Day.

* This material may change between the time when you read this PDS and the day when you acquire the product.

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

8.3 Margin lending

If you wish to apply using a margin lending arrangement, you must complete and sign the Fund's Application Form. You must also complete the section of the Fund's Application Form titled "Tax File Number or Exemption Notification" ensuring that the Tax File Number you provide is your own and not that of the margin lender. Please forward the completed Fund Application Form to your margin lender for their approval. In particular, you will need to understand the terms of using the service, as set out in the section of the Fund Application Form titled "Conditions Applicable to Investors Using Margin Lending". When your margin lender has approved your margin lending application and has signed the section of the Fund Application Form titled "Conditions Applicable to Investors Using Margin Lending", the lender will then forward the completed Fund Application Form and application monies to us for processing.

8.4 Enquiries and complaints

We have established procedures for dealing with enquiries and complaints. If you have invested indirectly through an IDPS, superannuation fund or master trust, you should contact the operator of that service.

If you have invested directly and you have an enquiry or complaint, you can contact our Client Services Centre by either:

- ▶ Telephone: 1300 366 100;
- ▶ Fax: 1300 366 107;
- ▶ Mail: Enquiries and Complaints Officer, BlackRock, Level 26, 101 Collins Street Melbourne, Victoria, 3000; or
- ▶ Email: clientservices.aus@blackrock.com.

If you make a complaint to us, we will acknowledge receipt of the complaint and take steps to address the complaint. We will also provide you with a final response within 45 days in accordance with our obligations.

If your complaint is not addressed within 45 days from the date it was received, or you are not satisfied with our response, you may refer your complaint to the Financial Ombudsman Service (FOS) of which we are a member and which is an independent entity.

The FOS can be contacted by either:

- ▶ Telephone: 1800 367 287;
- ▶ Mail: GPO Box 3, Melbourne, Victoria, 3001;
- ▶ Email: info@fos.org.au; or
- ▶ Website: www.fos.org.au.

For the hearing and speech impaired, the FOS can be contacted by either:

- ▶ National Relay Service: www.relayservice.com.au;
- ▶ TTY/Voice Calls: 133 677 (local); or
- ▶ Speak & Listen: 1300 555 727 (local).

9. Other Information

Conflicts of Interest and Related Party Information

The Manager is a member of the BlackRock Group. The BlackRock Group participates in global financial markets in a number of different capacities. The Fund may invest or engage in transactions with entities for which the BlackRock Group may perform services and may act as the seed investor in an underlying strategy or fund, which may create a commercial opportunity for the BlackRock Group. For example, a seed investment in an underlying fund may allow the BlackRock Group to establish a track record for that fund that it is then able to sell to other clients. In addition, the Manager or persons associated with the Manager may invest in the Fund from time to time. All such transactions will be on an arm's length commercial basis.

In addition, certain members of the BlackRock Group may have actual and potential conflicts of interest regarding the allocation of investment opportunities amongst funds and products they manage. The BlackRock Group will seek to manage these conflicts in a fair and equitable manner having regard to the interests of their clients generally. As a responsible entity and the holder of an Australian Financial Services Licence, the Manager has policies and procedures in place to manage such conflicts of interest.

From time to time, the Manager may be restricted from purchasing or selling particular securities on behalf of investors because of regulatory requirements or internal policies applicable to the BlackRock Group. This may result in circumstances where, for example, a BlackRock fund is unable to exactly replicate the weightings in a particular index.

In circumstances where ownership thresholds or limitations must be observed, BlackRock will seek to equitably allocate limited investment opportunities amongst the relevant BlackRock products, taking into consideration benchmark weight and investment strategy.