

IMPORTANT INFORMATION

This document is important and may require your attention.

4 March 2017

Dear Investor

Change from net interest distributions to gross of tax interest distributions

We are writing to you because you are a unitholder in one of the funds listed in the Schedule to this letter (each a **Fund**, together the **Funds**).

In accordance with draft legislation published as part of the Finance Bill 2017 and with effect from 6 April 2017 tax will be no longer be deducted from interest distributions made by authorised investment funds.

In order to comply with this legislative change, BlackRock has made the following changes to the Funds:

- we moved to a gross pricing basis (by removing income tax provision previously applied to income accrued within the price of your units) with effect from 1 September 2016 – this change did not impact your investment experience but the contract notes you now receive from us include a disclosure to advise you that where income has been accrued within the redemption price (on income or accumulation units), it is included on a gross of income tax basis; and
- all interest distributions paid after 6 April 2017 will be made gross, i.e., without the deduction of income tax. Since this change will impact you (in terms of the sum of money paid to you as part of an interest distribution) we are giving you advance notice of this change.

Action to be taken by you

The change will not impact the manner in which your investment is managed. You are not required to take any action in respect of your investment regarding the changes outlined in this letter. However, depending on your individual circumstances you may need to declare the income received from 6 April 2017 and where applicable the income element of any redemptions made before 6 April 2017 which have been calculated on a gross basis. These details will be reported in the contract notes you receive. You will continue to receive a consolidated tax voucher within your bi-annual statement dated 5 April.

If you hold your investment through an Individual Savings Account (ISA) this change should not impact the tax status of that investment.

If you are unsure, please seek your own tax advice by referring to an authorised tax advisor or the HM Revenue and Customs (HMRC) for further information.

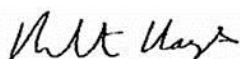
Costs

The cost of this letter and any updates to documentation relating to the Funds to reflect the matters detailed in this letter shall be borne by the Funds.

Further information

The changes set out in this letter will be reflected in the revised prospectus for the Funds. The revised prospectus is expected to be published, as amended, on or around 6 April 2017. If you would like any further information then please do speak to your financial adviser, email us at uk.investor@blackrock.com or call our Investor Services Team on 0800 44 55 22. Telephone lines are open from 8.30am to 6.00pm, Monday to Friday*.

Yours sincerely



Robert Hayes

Director

BlackRock Fund Managers Limited

*For your protection, telephone calls are usually recorded

BlackRock Fund Managers Limited

Registered in England No. 1102517. Registered office: 12 Throgmorton Avenue, London EC2N 2DL. Authorised and regulated by the Financial Conduct Authority. Unit Trust Manager. Member of the Investment Association.

Schedule

List of Funds

BlackRock Absolute Funds

BlackRock Absolute Return Bond Fund

BlackRock Collective Investment Funds

BlackRock Corporate Bond Tracker Fund

BlackRock Corporate Bond 1-10 Year Fund

BlackRock Overseas Government Bond Tracker Fund

BlackRock Overseas Corporate Bond Tracker Fund

BlackRock UK Gilts All Stocks Tracker Fund

BlackRock Index Linked Gilt Tracker Fund

BlackRock Retail AUT

BlackRock Cash Fund

BlackRock Corporate Bond Fund

BlackRock Fixed Income Global Opportunities Fund

BlackRock Global Multi Asset Income Fund

BlackRock Market Advantage Fund

BlackRock Investment Funds

BlackRock Dynamic Return Strategy Fund

BlackRock Global Long / Short Equity Fund

BlackRock Sterling Strategic Bond Fund

BlackRock Non-UCITS Retail Funds

BlackRock Managed Volatility Fund

BlackRock Managed Volatility Fund I

BlackRock Managed Volatility Fund II

BlackRock UK Managed Volatility Fund I

BlackRock Non-UCITS Retail Funds 2

BlackRock Consensus 35 Fund