

Important notice

Blackrock Global Funds - changes

Introduction

We have received notification that the board of directors (the 'Directors') of Blackrock Global Funds proposes to make several changes to certain funds which will take effect from 25 March 2019 (the 'Effective Date').

The ILP sub-funds affected by these changes (detailed below) are available as a mirror fund or through the International Wealth Account (IWA)/Global Choice (GC) fund range.

Which ILP sub-funds are affected?

Fund code	ILP sub-fund name	Fund range
AASGD	ZI BLACKROCK GLOBAL FUNDS WORLD MINING SGD	MIRROR
ALSGD	ZI BLACKROCK GLOBAL FUNDS GLOBAL ALLOCATION SGD	MIRROR
AMSGD	BLACKROCK GLOBAL FUNDS GLOBAL ALLOCATION SGD	IWA/GC
AOSGD	ZI BLACKROCK GLOBAL FUNDS WORLD GOLD SGD HEDGED	MIRROR
BHEUR	ZI BLACKROCK GLOBAL FUNDS GLOBAL ALLOCATION EUR	MIRROR
CHGBP	ZI BLACKROCK GLOBAL FUNDS UNITED KINGDOM	MIRROR
ERUSD	ZI BLACKROCK GLOBAL FUNDS GLOBAL ALLOCATION USD	MIRROR
MDUSD	ZI BLACKROCK GLOBAL FUNDS WORLD GOLD USD	MIRROR
MEUSD	ZI BLACKROCK GLOBAL FUNDS NEW ENERGY	MIRROR
MGUSD	ZI BLACKROCK GLOBAL FUNDS WORLD MINING USD	MIRROR
MHUSD	ZI BLACKROCK GLOBAL FUNDS WORLD ENERGY	MIRROR
VDUSD	BLACKROCK GLOBAL FUNDS WORLD MINING USD	IWA/GC
YQUSD	BLACKROCK GLOBAL FUNDS WORLD ENERGY	IWA/GC
YYUSD	BLACKROCK GLOBAL FUNDS WORLD GOLD	IWA/GC
ZKUSD	BLACKROCK GLOBAL FUNDS GLOBAL ALLOCATION USD	IWA/GC

What's happening?

The Directors have advised us that the following changes set out in this letter will take effect from 25 March 2019.

- The New Energy Fund will be re-named as the Sustainable Energy Fund. The fund invests in listed companies that are enabling and benefiting from the transition to a lower carbon economy. These companies have exposure to power, transportation and built environment industries. The new name will better reflect the fund's exposures to these three industries, as opposed to 'new energy' which could be taken to mean purely wind and solar energy.
- The Global Allocation fund may gain direct exposure for no more than 10% of its total assets to onshore bonds distributed in Mainland China in the CIBM ('China Interbank Bond Market') via the Foreign Access Regime and/or Bond Connect and/or other means as may be permitted by the relevant regulations from time to time.

- The investment strategy of the above listed funds will be changed to enable these funds to invest in contingent convertible bonds, distressed securities and/or ABS/MBS.

These have been added so that the investment policy of each relevant fund will more clearly and accurately represent how the Investment Adviser wishes to manage the fund in order to achieve its investment objective. The changes are intended to ensure that the investment characteristics and positioning of these funds remain both relevant to and consistent with the current investment environment and expectations of shareholders. The Board believes these changes will be in the best interests of shareholders as they will help create a wider investible universe in order to better manage risk and maximise the performance of the funds.

There will be no further changes to the investment objectives, policies, overall risk profiles or how the relevant Funds are managed as a result of the changes.

Contingent convertible bonds

Contingent convertible bonds are fixed-income securities that are convertible into equities if a pre-specified trigger event occurs. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds.

Contingent convertible bonds' investors may suffer a loss of capital when equity holders do not. Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the relevant Fund to anticipate the trigger events that would require the debt to convert into equity. Furthermore, it might be difficult for the relevant Fund to assess how the securities will behave upon conversion. Please refer to "Contingent Convertible Bonds" in the "Risk Considerations" section of the Prospectus for further information regarding the risks associated with investment in contingent convertible bonds.

Distressed securities

Distressed securities are securities issued by a company that is either in default or in high risk of default, and investment in distressed securities therefore involves significant risk. Please refer to "Distressed Securities" in the "Risk Considerations" section of the prospectus for further information regarding the risks associated with investment in distressed securities.

ABS / MBS

ABS and MBS are debt securities backed or collateralised by the income stream from an underlying pool of assets or mortgage loans respectively. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. Please refer to "Asset-backed Securities ("ABS") and Mortgage-backed Securities ("MBS")" in the "Risk Considerations" section of the prospectus for further information regarding the risks associated with investment in ABS and MBS.

- The Management Company (BlackRock (Luxembourg) S.A.) has delegated its investment management function of the above listed funds to one or more investment advisers within the BlackRock Group.

Clients do not need to take any action; however, if they do not wish to remain in the above ILP sub-funds as a result of this change they can switch into an alternative ILP sub-fund.

If the client is resident in the US or a US federally controlled territory, the option to switch is not available.

Clients can access additional ILP sub-fund choices in the 'Funds' section on www.zurich.com.sg.

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