



30 September 2019

Dear Unitholder,

We're making some enhancements

BlackRock Scientific Diversified Growth Fund (BAR0813AU)
BlackRock Scientific Diversified Stable Fund (BAR0811AU)

Please note that this is for your information only and no action is required from you.

BlackRock Investment Management (Australia) Limited ("BlackRock") wishes to inform you of some pending changes to the BlackRock Scientific Diversified Growth Fund and the BlackRock Scientific Diversified Stable Fund (the "Funds"), two of BlackRock's longest standing strategies, each with a 22-year track history. We believe these enhancements will improve outcomes for investors.

Effective on or after 31 October 2019, the Funds will:

- Integrate Environmental, Social and Governance (ESG) considerations into the investment process
- Screen out certain ESG sensitive sectors, including but not limited to Tobacco, Controversial Weapons and Nuclear Weapons on a fund-wide level

The Funds will also be renamed:

APIR	Current Fund Name	New Fund Name
BAR0813AU	BlackRock Scientific Diversified Growth Fund	BlackRock Diversified ESG Growth Fund
BAR0811AU	BlackRock Scientific Diversified Stable Fund	BlackRock Diversified ESG Stable Fund

The Funds will maintain their existing investment objective and additionally incorporate the above ESG considerations. In order to achieve this, the Funds will replace some of the underlying investment strategies with similar strategies that are more ESG aware and adopt the desired ESG exclusionary screens.*

In addition, the Funds' composite benchmark will change to reflect new ESG focussed benchmarks in each asset class, the details of which are provided in the enclosed table.

These changes reflect our assessment of the growing importance of ESG as part of a robust investment process, and are consistent with BlackRock's philosophy of continuously monitoring and seeking to improve investment strategies.

There are no changes to the Funds' investment objectives or fees. All implementation costs incurred as a result of these changes will be covered by BlackRock.

Level 26, 101 Collins Street, Melbourne VIC 3000 | Tel +61 (0) 3 9657 3000 | Fax +61 (0) 3 9657 3400
Client Services Tel 1300 366 100 | Client Services Fax 1300 366 107
Client Services Email clientservices.aus@blackrock.com | blackrock.com.au

BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL 230 523

If you have any questions regarding these changes or would like further information, please contact your BlackRock representative or the BlackRock Client Services Centre on 1300 366 100.

An updated Product Disclosure Statement for the Fund will be made available once the enhancements take effect on or after 31 October 2019.

Yours sincerely,

Client Services
BlackRock Australia

*ESG exclusions will vary between asset classes but will include tobacco, controversial weapons and nuclear weapons at a minimum. Refer to the Product Disclosure Document for more information.



BLACKROCK SCIENTIFIC DIVERSIFIED GROWTH FUND (BAR0813AU)

Updated Strategic Asset Allocation and Benchmarks

Asset Class	SAA weight	Current Benchmark	New Benchmark	ESG Integration/ Exclusions
Australian equities	30%	S&P/ASX 300 Accumulation Index	No change	ESG Integration & Exclusionary Screens: <ul style="list-style-type: none"> Tobacco Controversial Weapons Nuclear Weapons
International equities	27%	<ul style="list-style-type: none"> MSCI World ex-Australia Index (unhedged in AUD) MSCI World ex-Australia Index (hedged in AUD) 	No change	ESG Integration & Exclusionary Screens: <ul style="list-style-type: none"> Tobacco Controversial Weapons Nuclear Weapons
Emerging Market equities	5%	MSCI Emerging Market IMI ex Tobacco ex controversial weapons ex nuclear weapons Net TR Index (unhedged in AUD)	No change	Exclusionary Screens <ul style="list-style-type: none"> Tobacco Controversial Weapons Nuclear Weapons
Global Listed Infrastructure	5%	FTSE Developed Core Infrastructure 50/50 Net Tax Index (unhedged in AUD)	No change	ESG Integration
International Property	5%	FTSE EPRA/NAREIT Developed Dividend+ Index (unhedged in AUD)	No change	ESG Integration
Total growth assets	72%			
Australian Fixed Interest	14%	Bloomberg AusBond Composite 0+ Yr Index SM	Bloomberg Barclays MSCI Australia 100mn ESG Index	ESG Weighting & Exclusionary Screens: <ul style="list-style-type: none"> Alcohol, Gambling, Tobacco, Adult Entertainment, GMO, Military Weapons, Civilian Firearms, Nuclear Power and Fossil Fuel Reserves Issuers with a Controversy Score of "0"
Global Fixed Interest	6% ¹	<ul style="list-style-type: none"> Bloomberg Barclays Global Aggregate Index (hedged in AUD) Bloomberg Barclays Global Aggregate Corporate Index (hedged in AUD) 	Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index (hedged in AUD)	Exclusionary Screens: <ul style="list-style-type: none"> Alcohol, Gambling, Tobacco, Adult Entertainment, GMO, Military Weapons, Civilian Firearms, Nuclear Power and Fossil Fuel Reserves Issuers with a Controversy Score of "0" Countries with ESG score of "B" or "CCC"
EM (Hard Currency) Debt hedged	3%	J.P. Morgan EMBI Global Core Index (hedged in AUD)	JPM EMBIG Div Core Index 100% AUD Hedged Index	Exclusionary Screens <ul style="list-style-type: none"> Tobacco Thermal coal Controversial weapons Any violator of the UN Global Compact principles
Cash	5%	Bloomberg AusBond Bank Bill Index SM	No change	Exclusionary Screens: <ul style="list-style-type: none"> Tobacco Controversial Weapons Nuclear Weapons
Total defensive assets	28%			

¹ The Global Credit allocation, which was previously 3% was rolled into the Global Fixed Income allocation as part of the portfolio changes.

BLACKROCK SCIENTIFIC DIVERSIFIED STABLE FUND (BAR0811AU)

Updated Strategic Asset Allocation and Benchmarks

Asset Class	SAA weight	Current Benchmark	New Benchmark	ESG Integration/ Exclusions
Australian equities	13%	S&P/ASX 300 Accumulation Index	No change	ESG Integration & Exclusionary Screens: <ul style="list-style-type: none"> ▪ Tobacco ▪ Controversial Weapons ▪ Nuclear Weapons
International equities	10%	<ul style="list-style-type: none"> ▪ MSCI World ex-Australia Index (unhedged in AUD) ▪ MSCI World ex-Australia Index (hedged in AUD) 	No change	ESG Integration & Exclusionary Screens: <ul style="list-style-type: none"> ▪ Tobacco ▪ Controversial Weapons ▪ Nuclear Weapons
Global Listed Infrastructure	5%	FTSE Developed Core Infrastructure 50/50 Net Tax Index (unhedged in AUD)	No change	ESG Integration
International Property	4%	FTSE EPRA/NAREIT Developed Dividend+ Index (unhedged in AUD)	No change	ESG Integration
Total growth assets	32%			
Australian Fixed Interest	22%	Bloomberg AusBond Composite 0+ Yr Index SM	Bloomberg Barclays MSCI Australia 100mn ESG Index	ESG Weighting & Exclusionary Screens: <ul style="list-style-type: none"> ▪ Alcohol, Gambling, Tobacco, Adult Entertainment, GMO, Military Weapons, Civilian Firearms, Nuclear Power and Fossil Fuel Reserves ▪ Issuers with a Controversy Score of "0"
Global Fixed Interest	21% ¹	<ul style="list-style-type: none"> ▪ Bloomberg Barclays Global Aggregate Index (hedged in AUD) ▪ Bloomberg Barclays Global Aggregate Corporate Index (hedged in AUD) 	Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index (hedged in AUD)	Exclusionary Screens: <ul style="list-style-type: none"> ▪ Alcohol, Gambling, Tobacco, Adult Entertainment, GMO, Military Weapons, Civilian Firearms, Nuclear Power and Fossil Fuel Reserves ▪ Issuers with a Controversy Score of "0" ▪ Countries with ESG score of "B" or "CCC"
EM (Hard Currency) Debt hedged	3%	J.P. Morgan EMBI Global Core Index (hedged in AUD)	JPM EMBIG Div Core Index 100% AUD Hedged Index	Exclusionary Screens <ul style="list-style-type: none"> ▪ Tobacco ▪ Thermal coal ▪ Controversial weapons ▪ Any violator of the UN Global Compact principles
Cash	22%	Bloomberg AusBond Bank Bill Index SM	No change	Exclusionary Screens: <ul style="list-style-type: none"> ▪ Tobacco ▪ Controversial Weapons ▪ Nuclear Weapons
Total defensive assets	68%			

¹ The Global Credit allocation, which was previously 6% was rolled into the Global Fixed Income allocation as part of the portfolio changes.



IMPORTANT INFORMATION

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